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15 May 1985

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

REGIONAL AFFAIRS

- Implications of OPEC's Price Drop Analyzed
('Imad al-Hajj; AL-IQTISAD WA AL-A'MAL, Mar 85)..... 1

ARAB AFRICA

EGYPT

- Ibrahim Shukri Discusses Democracy, Islamic Law
(Ibrahim Shukri Interview; AL-HAWADITH, 8 Mar 85)..... 7
- Steps To Purify, Strengthen Moral Content of Media
(AL-AKHBAR, 21 Mar 85)..... 11

MOROCCO

- American Technical Consultants Establish Local Office
(LA VIE ECONOMIQUE, 22 Mar 85)..... 14
- Second Phase of Mohammedia Port Expansion Begun
(LA VIE ECONOMIQUE, 15 Mar 85)..... 15
- Managing Director of Coal Mines on Development of Jerada Mine
(Allal Kanouni Interview; LA VIE ECONOMIQUE, 22 Mar 85).... 17
- Briefs
- Smara Iron Ore Deposit 21
- Industrial Cooperation Agreement 21

ARAB EAST/ISRAEL

ISRAEL

Oil Exploration at the Crossroads (THE ISRAEL ECONOMIST, Mar 85).....	22
West Bank Development Companies Go Public (THE ISRAEL ECONOMIST, Apr 85).....	27

KUWAIT

Commercial Figure Discusses Political, Religious Composition of Assembly ('Abd-al 'Aziz al-Saqr Interview; AL-MUJTAMA', 2, 9 Apr 85)..	28
Dissident Journal Condemns Government Real Estate Transaction (AL-TALI 'AH, 20 Mar, 19 Apr 85).....	48
Government, Commercial Collusion Alleged	48
Government, Magazine Trade Charges	49

LEBANON

Economy Reportedly Totters on Edge of Disaster (Husayn Fawwaz; AL-IQTISAD WA AL-'AMAL, Jan 85).....	54
Sidon Leaders Comment on Differences With Christians (Zakariyah Mahmud Interview; AL-NAHAR AL-'ARABI WA AL-DUWALI, 4-10 Mar 85).....	72
Samir Ja 'ja' Rejects Coexistence Without New Balance of Forces (Samir Ja 'ja' Interview; AL-NAHAR AL-'ARABI WA AL-DUWALI, 18-24 Mar 85).....	87

OMAN

Government Seeks To Promote Private Sector ('Ali Hashim; AL-NAHAR AL-'ARABI WA AL-DUWALI, 31 Dec ... 6 Jan 85).....	109
Minister Discusses Agricultural Policy, Development (AL-NAHAR AL-'ARABI WA AL-DUWALI, 24-30 Dec 84).....	112
Briefs Financing for Jordanian Arms	115

SAUDI ARABIA

Crown Prince Observes Military Maneuvers in Southwest (AL-YAMAMAH, 13 Mar 85).....	116
---	-----

Media Overseer Discusses Excesses of Local Press (Turki Ibn Sultan Interview; AL-YAMAMAH, 13 Mar 85).....	120
--	-----

SOUTH ASIA

AFGHANISTAN

More Than 12,000 Villagers Engaged in Defense of Revolution (DEHQAN, 3 Mar 85).....	125
Over 200,000 Enrolled in Kabul Schools (HEYWAD, 6 Mar 85).....	127
Fertilizer, Wheat Distributed to Farmers (DEHQAN, 3 Mar 85).....	129

BANGLADESH

Ershad Speech Opens Seminar on Mideast (THE NEW NATION, 29 Mar 85).....	130
Paper Reports STATESMAN Interview With Ershad (THE BANGLADESH TIMES, 30 Mar 85).....	132
Superpowers Urged To Help Better Area Relations (Editorial; THE BANGLADESH OBSERVER, 21 Mar 85).....	134
Ershad Message on Elimination of Racial Discrimination (THE BANGLADESH OBSERVER, 21 Mar 85).....	137
Details of Soviet Aid to New Power Plant Given (THE BANGLADESH TIMES, 2 Apr 85).....	139
Bangladesh-China Friendship Anniversary Meet Reported (THE NEW NATION, 29 Mar 85).....	140
Briefs	
Ambassador to Egypt	141
Envoy to Kenya	141
Envoy to Kuwait	141
Ambassador to Yugoslavia	141
Envoy in Brunei	142
New Japanese Ambassador	142
New Somali Envoy	142

IRAN

Philippine Officials Urged To 'Scrutinize' Iranian Students (Jesus Bigornia; BULLETIN TODAY, 15 Mar 85).....	143
---	-----

Foreign Trade Control Controversy Analyzed (ARABIA THE ISLAMIC WORLD REVIEW, Apr 85).....	144
Native Journalist Comments on Homeland's Developments (Mohammad Sadiq al-Hussaini; ARABIA THE ISLAMIC WORLD REVIEW, Mar 85).....	147
PAKISTAN	
PPP To File Petition Against Elections in Azad Kashmir (THE MUSLIM, 11 Apr 85).....	151
Benazir Rules Out Rift in MRD (Benazir Bhutto Interview; THE MUSLIM, 12 Apr 85).....	125
Economic Commentary Discusses Role of Former Minister (THE MUSLIM 12 Apr 85).....	152
Asghar Khan Pleads for Non-Aligned Policy (THE MUSLIM, 12 Apr 85).....	157
Mian Tufail Resigns as JI Chief (THE MUSLIM, 11 Apr 85).....	158
Prominent Woman Leader Critical of Pir Pagara (Nusrat Javeed; THE MUSLIM, 10 Apr 85).....	159
Article Views Women's Role, Resistance to Male Domination (Sue Green; THE AGE, 13 Mar 85).....	161
Rushed Production Said to Damage Oilwells (Salim Bokhari; THE MUSLIM, 12 Apr 85).....	163
Briefs	
Bugti Supports Jatoi's Stand	164
Ramay on Jatoi's Proposals	164
Azad Kashmir PPP: Report Denied	165

REGIONAL AFFAIRS

IMPLICATIONS OF OPEC'S PRICE DROP ANALYZED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Mar 85 pp 53-55

[Article by 'Imad al-Hajj: "OPEC and 'Realpolitik'"]

[Text] OPEC's recent emergency ministers' conference held in Geneva from 28 to 30 January is of particular historical importance, not because of the force of the resolutions adopted, as was usually the case during the seventies, but because of the nature of these resolutions and their political and economic implications. Two main things give the OPEC conference this historical dimension. The first was the decision to dispense with, for all practical purposes, the use of Saudi light crude oil as a benchmark for setting the prices for all the different types of crude oil produced by OPEC countries, and the second was to stop the practice of adopting resolutions unanimously and to follow the majority rule instead, thereby, most importantly, forcing the minority to submit to the majority, even against its will. The other important decision issued by the recent conference, the decision to reduce official oil prices, has, because of the significance of its implications, no precedent in the history of the organization, which had taken the first step in this respect in March 1983. AL-IQTISAD WA AL-A'MAL will here try to shed some light on the dimensions and implications of the recent OPEC decisions and their probable effects on the future of the oil organization's activity.

The best thing that can be said of the results of the recent OPEC conference may be that "they couldn't have been any better than they were." While we are aware that some OPEC circles might not approve of such an apologetic remark in describing the results of the efforts of the conference members, this description can be justified in two basic senses.

First of all, after a bitter struggle and a succession of conferences and committee meetings, OPEC was forced to back down in the face of market pressures, and to take a step which in past months it had vowed never to take no matter what: lowering official oil prices for the second time since the organization was founded 25 years ago. (The first time was in early 1983, when OPEC decided to lower the benchmark price for Saudi light crude from US\$24 to \$29 per barrel, a price which had prevailed until the recent conference.)

Secondly, OPEC was forced to adopt this decision in the absence of unanimity among the member countries, something which the organization has always desired. Even though this was not the first time OPEC has failed to reach a unanimous decision on one of its resolutions, it was nevertheless the first time the minority was forced to yield to the majority view. In the late seventies, when the forces of the oil market were still in OPEC's interest, there was a dispute between OPEC "hawks" and "Doves" over how much oil prices should be increased. At that time it was hard to reach a unanimous decision, so the organization adopted and succeeded in applying a dual price structure, because increased demand for OPEC oil at that time had made buyers willing to pay whatever the producers demanded. But the picture is completely different now, and the OPEC "hawks" cannot impose any prices higher than what a majority of the other countries would accept, because of falling demand and competition among the producers themselves to dispose of their oil.

OPEC and Realpolitik

Regardless of the negative or positive effects which will result from the OPEC decision to lower official prices or from its decision to follow majority rule, the following observation must be made: OPEC has embarked on its latest measures as if it were coming closer and closer to pursuing "realpolitik," whereby someone who cannot necessarily obtain what he thinks he deserves will find himself forced to go along with forces and factors which are sometimes beyond his command. While OPEC is still a newcomer to this "art of the possible," because for many years the organization has usually gotten its own way relatively easily in the oil market, it appears that it now has to adapt to facts which are completely different from those it has become accustomed to. Sometimes it has to bend a little in the face of the storm, so that its stem will not be broken if the winds blow strongly from the wrong direction.

Therefore, it can be said that the OPEC we are now seeing is an organization which has come to an important turning point in its history, which might lead it in one of two opposite directions. Either it will emerge from the bitter experiences it has suffered over the last few months, or even the last few years since the world demand for oil began to drop, having learned positive lessons and having attained that degree of political "maturity" which comes from dealing with the hard facts of international political and economic relations, or else it will weaken and fall back in the face of the forces of disintegration and fragmentation which usually afflict political and economic groups whenever their fortunes are overturned. Of course, this applies only on the assumption that world demand for oil continues to weaken, as it is expected to do over the rest of this decade, since any sudden overturning of currently prevailing market forces would once again restore OPEC to the position of strength which it had occupied throughout the seventies.

The Dilemma

However, what impelled OPEC to adopt the decisions it did at its recent emergency conference? Could OPEC have followed some other course by which it could have preserved the unanimity of its member countries? Before answering these two questions, we must go back to the developments which preceded the last OPEC meeting.

After OPEC reached an agreement late last December to form a special committee to oversee the member states' production levels and prices (see AL-IQTISAD WA AL-A'MAL of January 1985), it was still aware of another important problem which at that time had not been finally resolved--the problem of price differentials among the various types of crude oil produced by OPEC countries. At its January meeting, the organization arrived at a temporary solution for this problem, consisting of raising heavy crude prices by 50 cents a barrel and medium crude prices by 25 cents a barrel, and reducing the price of light crude again, by 25 cents a barrel. These adjustments were intended to reduce the price differentials for the various types of crude oil, the prices of which had remained close on the free market, without reducing the price of benchmark Saudi light crude, which was \$29 a barrel. However, at that time the producers of light crude, particularly Algeria and Nigeria, expressed their displeasure with this measure, and insisted that the price of heavy crude should be raised by at least another 50 cents so that its price, compared to light crude, would be more competitive. However, from that time on, it has been clear that no additional adjustments could be made to the relative prices of crude oil without affecting the benchmark price of Saudi light crude. Since then, "psychological preparation" for this development has begun, and some OPEC ministers, especially Saudi Oil Minister Shaykh Ahmad Zaki Yamani and Kuwait Oil Minister Shaykh 'Ali al-Khalifah al-Sabah, have begun belittling the importance of Saudi light crude as a benchmark for all other types of crude oil, indirectly hinting that its price might be reduced in order to keep pace with the new market facts.

By the end of January, OPEC was obviously prepared to accept these radical changes in the method of pricing oil on the one hand, and in the official price levels on the other hand. Thus most OPEC members' vehement adherence to the official oil prices which had prevailed over the last few months disappeared, to be replaced by a feeling of realism and a certain tolerance towards a drop, although a small one, in official prices.

However, the main problem which stood in the way of expediting this development was the opposition of three members--Libya, Algeria, and Iran--to any reduction in official OPEC prices and to dispensing with Saudi light crude as an OPEC benchmark and a reference point for determining the prices of other crude oils. Nine other countries--Saudi Arabia, the UAE, Kuwait, Qatar, Iraq, Indonesia, Venezuela, Nigeria and Ecuador--felt that reality must be recognized and an adjustment of the official price structure must be accepted. The thirteenth country, Gabon, remained neutral and refrained from voting.

It was obvious from the beginning of the meeting that both sides were strongly committed to their stands, and that there was no way to reconcile their points of view. Algeria made a half-hearted attempt to convince Saudi Arabia to accept another increase in the price of heavy crude, but the Saudis insisted that there was no advantage to increasing the price of heavy crude.

Majority Instead of Unanimity

Thus the OPEC meeting concluded without having reached any consensus on oil prices, and the nine "moderate" states decided to go ahead and reduce prices for light crude oils, as well as reduce the price of Saudi light crude from \$29 to \$28 a barrel and eliminate its role as a benchmark. The conference's closing statement indicated that beginning on 1 February 1985, prices for OPEC oil would be determined according to the prices for six crude oils: Saudi heavy, medium and light, Abu Dhabi's Murban crude, Nigeria's Buni light, and Indonesia's Minas light.

By reducing prices for light crude and leaving prices for heavy crude alone, the gap between the prices for heavy and light crude was reduced from \$4 to \$2.40 per barrel. The average overall drop in official OPEC prices was only 29 cents, i.e. from \$28.25 to \$27.96 a barrel. However, this drop, even though small, is very significant, because it might be the first in a series of reductions in official OPEC prices if demand continues to be as weak as it is now, especially now that the psychological barrier represented by the benchmark crude has been eliminated.

Nigeria's Return To the OPEC Fold

A striking outcome of the OPEC decision to follow majority rule was Nigeria's agreement to raise its price for Buni light crude from \$28 to \$28.65 a barrel, i.e. the same price as the similar Barrent crude from the British North Sea. Nigeria's acquiescence is significant because of the competition between North Sea crudes and Nigerian light crude, which, we must remember, is what sharpened OPEC's October crisis. At that time, Britain decided to lower its prices by \$1.35 a barrel (following a similar reduction by Norway), and dropped the price for British Barrent crude to \$28.65 a barrel. In turn, Nigeria lowered its prices by \$2 a barrel (to \$28), thereby breaking the OPEC agreement and threatening the start of a series of price reductions of unknown extent. This led OPEC to hold its emergency conference, during which it decided to lower its production ceiling and uphold official prices, meanwhile "understanding" the circumstances which led Nigeria to reduce its prices.

Thus, when Nigeria restored its prices to the level of North Sea prices, Britain was freed from some of the pressure being put on it to reduce its prices, and a kind of stability was injected into the competition between North Sea and Nigerian crudes. Furthermore, as a result of this agreement, Nigeria began adhering to official OPEC prices again, after 3 months of "revolt."

In addition to the positive effects which will follow this new relationship between British and Nigerian crudes, the recent OPEC agreement will help stabilize the situation in the international oil market in two ways. First, it will check the constant pressure on light crude producers to discount their official prices to attract more clients. Secondly, it will end the incentives which led heavy crude producers to produce more than the amounts agreed upon within OPEC, in view of the relatively strong demand for their crudes, which are quite cheap compared to light crudes.

What About the Future?

For a long time Western observers have tended to belittle the importance of the decisions taken by OPEC on any occasion, a tendency usually due to a desire to air some of the envy and dislike towards the OPEC countries which has accumulated since the seventies, combined with an awareness of the very real weakness which has overcome the organization because of its declining share in world oil supplies since the early eighties. These observers' reactions to the results of the recent OPEC conference were not much different from their reactions to previous conferences, especially recent ones. Nevertheless, among all observers the conviction prevails that OPEC's decision to lower its official prices reflects a clear tendency towards realism, and will inject some stability into the oil market.

The fact is that the decision to reduce prices, even though it did not bring about a very great change on the practical level, has spread a kind of stability and peace of mind among Western oil circles. Some of them feel that the price reduction showed a kind of flexibility and adaptability on the part of OPEC, even though the decision was not made unanimously. In fact, OPEC's adherence to majority rule, even at the expense of displeasing the minority, has convinced observers that OPEC is seriously attempting to deal with the new market facts. This feeling was reflected in practice on the free market, where oil was being sold according to spot contracts covering individual shipments. On the spot market, oil prices saw a noticeable upswing during the few days following the OPEC conference.

Nevertheless, oil industry experts are still convinced that over the next few years, OPEC will be unable to do anything significant about the pressures to which oil prices continue to be subject. Some say that OPEC might succeed in preventing the sudden drop in prices that some Western circles are dreaming of, but will be unable to prevent a gradual drop in these prices from now until the end of this decade. According to this theory of "gradual attrition," prices for OPEC oil will drop from the present \$28 a barrel to \$27 by this spring, \$26 next year, and \$25 by 1987.

However, regardless of the recent OPEC conference results and what they might lead to in the short run, the situation in the international oil market over the next few months will be determined by the reserves held by oil companies and by governments of consumer nations. It must be remembered that in recent months the consumers began choking OPEC by relying on their reserves to maintain a reduced demand for OPEC oil. According to some estimates, between 3 to 4 million barrels were being withdrawn from reserves each day. In light of this, reserves have dropped from their customary levels, which would cover 90 days' consumption, to levels which would cover only 73 days--a sharp drop which comes very close to the "danger point." Therefore, it is believed that by the middle of this summer at the latest, the consumer countries will find themselves forced to start building up their reserves again. For this reason, OPEC will keep calm until then, for demand will hopefully take a noticeable upswing, thereby eliminating the pressure on the organization.

In the long run, i.e. over the next few years, OPEC will succeed in overcoming most of its obstacles, which are insignificant inasmuch as it still possesses 67 percent of the world's commercially-exploitable oil reserves. In the long run, OPEC will continue to hold most of the strings in the international oil game.

8559

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EGYPT

IBRAHIM SHUKRI DISCUSSES DEMOCRACY, ISLAMIC LAW

London AL-HAWADITH in Arabic 8 Mar 85 p 32

[Interview with Ibrahim Shukri, Socialist Party founder, by Sharbal Zughayb; date and place not specified]

[Text] When President Sadat issued the law pertaining to multiple parties in 1977, it was not expected that the minister of agriculture of that time would emerge to apply for a license to establish an opposition party called the "Labor Party." But Ibrahim Shukri emerged from the government because he loves opposition, along with the fact that he is the son of one of the feudal lords of the monarchy era.

In the latest elections. Ibrahim Shukri did not win a seat in the People's Assembly despite the fact that he obtained the largest number of votes in his district. This was because of the slate system that is in effect. This prompted President Mubarak to appoint Shukri as a representative based on powers granted to the president by the election regulations.

Ibrahim Shukri describes Egypt's current democracy as "something between actual democracy and formal democracy." There is undoubtedly the form of democracy, as represented by the parties, the People's Assembly, and the party press. In fact, the opposition expresses many opinions in its press that go against what the government says. However, democracy does not consist of newspapers and freedom of speech alone, or even freedom of assembly alone. It ultimately involves who makes the decisions and how any given individual is able to influence these decisions--that is, whether or not the people can work to send their representatives to the People's Assembly. The benefits of democracy stem from this principle, and if we do not achieve this, then democracy remains formal and does not attain sound practice or rest on correct principles of democracy.

AL-HAWADITH: Do all groups in Egypt have their parties, or is there a ban on some of them?

Ibrahim Shukri: It can now be declared that every group has attained its right as stated in the constitution and a party has been established for it. Perhaps we will eventually arrive at a true multi-party system. This is what President al-Sadat was afraid of in the beginning. He put forward

his individual view that throughout the world there are a left, a right, and a middle, and so there should be three platforms within the Socialist Union. After elections were held on this basis, he said that these three platforms could form parties. And this is where the story began, as if it was all manufactured. The fact of the matter is that it was a kind of beginning chosen by Sadat. All of this changed gradually with the passage of time. Thus, the New Wafd began its work without having any connection with the Arab Socialist Union. However, the constitution at that time had not been changed. It stipulated in Article 5 that the political system was an alliance of the forces of the working people represented by the Arab Socialist Union. On this basis, President al-Sadat was forced to appoint Fu'ad Siraj-al-Din to the Central Committee. However, after the incidents of January 1978, President al-Sadat changed his thinking and tried to be a scrutinizer of the parties, although not directly but by issuing several pieces of legislation. He held a referendum on the basis of which he forbade those who had been working in politics and had occupied ministerial posts before the revolution from reentering politics. But this restriction ended and the Wafd Party won its case. The presence of Siraj-al-Din at the head of the Wafd Party was considered to have essentially eliminated this legislation.

AL-HAWADITH: Did you in the Labor Party emerge from the arrangement of the three platforms within the Arab Socialist Union or did you come from outside them?

Ibrahim Shukri: We were not one of the first three parties that constituted the platforms, although we naturally went through approval by the Parties Committee. We do not attach great importance to this decision in the emergence of the party.

AL-HAWADITH: Was your disagreement with President al-Sadat due to differences over domestic Egyptian matters or over regional matters?

Ibrahim Shukri: From the beginning, our view was independent of al-Sadat. We had differing views both in the domestic sphere and in the foreign sphere. Then the differences increased sharply to the point that he characterized us as the focal point that brought together all the opposition. Initially, it was the newspaper AL-SHA'B that represented the views of the opposition on the basis that we brought together the opinion of the opposition on important issues, including the issues of normalization and objection to the idea of the visit to Jerusalem. We disagreed with the view he was expressing with regard to Israel and Begin. In the end, publication of the newspaper AL-SHA'B was suspended and the "5 September" decision was issued. I was in the People's Assembly at the time of that decision, and I opposed all the decisions related to the infringement of freedoms. Al-Sadat had assumed that we might be a soft and formal opposition, but we were a real opposition, and al-Sadat could not bear that.

AL-HAWADITH: There is an innovation in democracy in Egypt, namely, the appointment of members of the People's Assembly by the president. What is the reason for this?

Ibrahim Shukri: The Egyptian constitution gives the president the right to appoint 10 members of the People's Assembly. This provision exists in order to fulfill certain requirements that should be fulfilled and can be lacking. The most important effort was to assure the representation of the Coptic brethren in Egypt with a large number of the appointed representatives. In the majority of cases, all the appointees are Copts. The last time, the party slates included a number of Copts, and thus a group of them entered the People's Assembly. This time President Mubarak sought to use the appointments not to increase the percentage of representation of the Copts but rather to deal with a situation that was of much concern to public opinion. This situation was that the law specifying the slate system in the representation law and the stipulation that any party must obtain 8 percent of all votes cast had been shown to prevent many parties from obtaining parliamentary seats, despite the fact that some parties--such as the Labor and Grouping Parties--had obtained very large numbers of votes in some election districts. On this basis, President Mubarak wanted to remedy this situation, so he appointed four members from the slate winners of the Labor Party and one member from the Grouping Party.

AL-HAWADITH: But might not the appointment of 10 representatives in the People's Assembly affect the voting and legislation within the assembly in the future?

Ibrahim Shukri: This situation is not likely at all because there are 460 members in the People's Assembly, and 10 additional members do not have a great effect. This may happen in the future when some degree of balance in the parties is achieved, in which case these votes might have an effect. Now, however, when we still have an 88-percent majority for the ruling party, numbers such as these are of no significance.

AL-HAWADITH: Are you satisfied with the conduct of debates and the manner in which bills are proposed and voted on in the People's Assembly?

Ibrahim Shukri: In general, I can say that there are observations that could lead to sharp criticism of procedure. It is possible that questions and requests for information are impeded, and sometimes there are some objections from the government to the method of interpellation. However, there are ultimately earnest attempts to make the procedure beneficial.

AL-HAWADITH: What is your opinion about the committee which the People's Assembly charged with studying methods of applying Islamic law?

Ibrahim Shukri: I would like to explain that Egypt, among the Arab states generally and the Islamic states, is one of the foremost in terms of the adherence of its people to the practices of religious customs, including both Muslims and Christians. We are undoubtedly a religious people; Egypt has had a role in all the divine religions, and even before the emergence of the three divine religions, religion played a major role in Egypt. Ancient Egyptian civilization was based on life after death, which is based on the fact that there is a "judgment day" after this life.

There is in fact a general movement calling for the application of religious principles. The Labor Party is among those that believe our laws are derived from Islamic law. This does not mean interference in the private and personal affairs of the other religions, and the legislator does not have the right to compel people to do anything in this regard. Moreover, principles of justice, equality, and freedom of opportunity for all are compatible with general principles. While the call [for the application of religious principles] is sometimes made by a specific group, this is not characteristic of Egyptian society as a whole. We do not believe at all that Islamic law can be reduced to the stoning of the adulterer or the cutting off of the hand. Rather, these are just part of the principles, and they have limits. The meaning of the limits is that there is a society that is based on specific principles through which it can truly become a sound society in every sense of the word. And it has become necessary for this society to be supplied with a certain amount of legislation which prevents injury to the nation.

AL-HAWADITH: Is your party satisfied with the current foreign policy of the Egyptian government?

Ibrahim Shukri: In general, we believe that the general directions of the policies of President Mubarak since he took office are different from what was done previously. This is viewed as an effective response to what the opposition parties--and the Labor Party in particular--has called for. For example, we were talking about our strong criticism of the repeated instructions to demonstrate the unimportance of Egyptian-Arab relations, and the idea that we could be satisfied with American-Zionist relations. President Mubarak has acted to improve Arab-Egyptian relations by all means and methods. We also stressed the necessity of not withdrawing from the nonaligned camp, and President Mubarak came along to revive Egypt's role as a nonaligned country. This is a move toward the opposition on his part. What has occurred in these moves may not satisfy us completely, but I believe that they support the direction we are calling for.

8591

CSO: 4504/256

EGYPT

STEPS TO PURIFY, STRENGTHEN MORAL CONTENT OF MEDIA

Cairo AL-AKHBAR in Arabic 21 Mar 85 p 3

[Text] Safwat al-Sharif, minister of information, announced that he has decided to bar advertisements outside the principles and values of religion from television, to clean up those programs and series which conflict with the precepts of Islamic shari'ah, to a review by the honorable al-Azhar of religious series and programs before their presentation on television and radio, and support for networks and stations to strengthen broadcasting of the Holy Koran enough to reach all areas of the republic, all within the framework of service to the Islamic call. He said that religious programming occupies a very large share of television time, amounting to 14,553 hours per year. Also, he announced a ban on films with violence and displays of "kissing" in television series or in the theaters.

Replying to the debates which were provoked in the sessions of the hearing which the Committee for Social and Religious Affairs of the People's Assembly convened, under the chairmanship of Dr Muhammad 'Ali Mahjub, on ways to further the Islamic call, the minister said that Egypt provides a great many religious series to friendly nations, within the framework of its Islamic broadcasting, and that the ministry works to purify programs of that which contravenes the precepts of Islamic religious life, to achieve balance in them. Moreover, he has decided to broadcast the program of His Excellency, Shaykh Muhammad Mutawalli al Sha'rawi every week on the radio.

Achieving Balance

Safwat al-Sharif, minister of information, said that all of the debates which circulated in the sessions of the special hearing on furthering the Islamic call, domestically and abroad, are evidence of our work in the ministry. "We are eager to discharge the trust placed in us, and to present media activities in agreement with religious values. We are eager to work until we achieve them completely, deepening Islamic values, achieving balance in society and advancement of the Egyptian people around the three basic poles of religion, family and nation. I convened an extraordinary meeting with the radio and television employees before my trip to the U.S. and called upon them to be concerned with matters of the Islamic call. These sessions are aimed at cleaning up the programs and the quality of choice of that which is contained in them in such a manner as is consistent with religious principles and values."

No to Nude Pictures

The minister of information explained that it is not desirable to have any advertisements which contain sexual or nude, morally corrupt pictures, because this is forbidden by religious principles. "We are prepared to bear any amount of financial loss in relation to these advertisements, even a million pounds. We gain building youth and planting in them religious values. We are on the path of purifying programs, series and films of that which is contrary to the precepts of Islamic Shari'ah in order to uphold balance." A number of films not agreeing with this have been banned. This is a new thing. Also, eastern dancing has been banned from television, for the sake of religious principles and values.

Religious Series

Safwat al-Sharif, minister of information, indicated that the taping of a number of religious series for television, designed to support religious values, is currently being completed. These include "Muhammad, Prophet of Mankind," "There Is No God But God," "The Rightly Guided Integrity of Imam Malik," "Salman al-Farisi," and "Zahra' of al-Andalus." These programs will not be broadcast until they have been examined by al-Azhar and its judgement obtained. These new series are a step toward religion and the precepts of Islamic Shari'ah. In addition to religious series, it is necessary to have properly committed social series. The support of the book was decided upon after it became evident that a good text was not available in Egypt. This support has assumed the form of 3,000 pounds for each properly committed story, after having been 200 pounds. In this framework, a careful examination of films for the cinema is underway. One hundred films have been examined, and only seven have been banned. Since cinematic production at the national level is in the hands of the private sector, television has had recourse to production of 12 long films which agree with the principles and values of this people. Thus, their presentation will be within the framework of a set plan, a desire to realize cultural renewal and to counteract the danger of the video recorder. This is undertaken in the framework of preservation of balance and progress in media production.

Koran Broadcasting

The minister of information emphasized that microwave networks and stations are currently being strengthened for Koran broadcasting, so that it can reach all areas of the republic and neighboring states, as well as strengthening programs oriented toward serving the Islamic call. The number of hours of radio and television transmission devoted to religious programs amounted to 14,553 hours annually. Political programming accounted for 13,663 hours annually, entertainment programming for 8,925 hours annually, and service programming for 6,972 hours annually. Moreover, it has been decided to stop all advertisements which violate religious values. In this framework, an agreement of the Investment Authority for construction of five private stations which were to have presented entertainment programs was rejected. The Television and Radio Union paid 2 million pounds compensation

to a company which had obtained an agreement to construct a television station, desirous of preserving principles and values, because it is not permitted independent initiative of what it presents to society, for investment in this area. It has been decided to ban all violent films from television. Also, it has been decided to ban all "Tops" [a birth control device] advertisements, and all scenes in series which display "kissing."

Shaykh Mutawalli al-Sha'rawi

The minister turned his attention to the pioneering role of Egypt in the field of media. He said, in support of religious values, that Egypt supplies religious programs to friendly states free of charge. It sends the series "Muhammad, Prophet of Mankind" to Senegal, where the Senegalese people hold it in high regard. Also, Egypt provides a number of religious programs and series to Somalia, in accordance with this religious orientation. In addition, all the Arab states requested the complete text of the program "Opinion Seminar," which Egyptian television broadcasts. These countries present it to their youth to protect them from deviation. The officials responsible for this program consider that it has great freedom of expression, is free of formality and opens the path for youth. All installments of this program will be given to states requesting them, in support of Egypt's Islamic call. Moreover, it has been decided to broadcast the weekly television program of His Excellency, Shaykh Muhammad Mutawalli al-Sha'rawi on radio as well. "We are walking on the path of preserving balance and the need for morality, values and religion."

A Union For The Missionaries

Then Shaykh Mansur al-Rifa'i discussed our request for the founding of a union for workers in the Islamic mission, for training new imams under the supervision of al-Azhar, and for development of periodical publications for the ministry of religious endowments and seeing to their distribution. Abd-Allah Abu-'Aid, deputy minister of the technical office of the ministry of religious endowments, said that all of the periodical publications are piled up in the print shop of the ministry. "We cannot find anyone to undertake their distribution due to the small number of those who can do this."

The floor was given to Dr 'Abd-al-Ghaffar 'Aziz, a member of the People's Assembly. He spoke about the problems which the Islamic call encounters, and the need for speed in applying the precepts of Islamic Shari'ah, their codification in legislation, and giving attention to preaching of the Islamic call. He said that he has prepared three draft laws pertaining to codification in legislation of the precepts of Islamic Shari'ah, which he will present to the People's Assembly for debate and passage. They pertain to social solidarity, zakat, and banning interest in business transactions.

The session adjourned to reconvene next Wednesday to hear the report of Dr al-Ahmadi Abu-al-Nur, minister of religious endowments.

MOROCCO

AMERICAN TECHNICAL CONSULTANTS ESTABLISH LOCAL OFFICE

Casablanca LA VIE ECONOMIQUE in French 22 Mar 85 p 12

[Text] In the framework of the trade between the United States and the Kingdom of Morocco, the establishment in Casablanca of an office of the American organization "International Executive Services Corps (CISE)" was announced recently.

What is this CISE and what is its role?

The CISE is a nonprofit organization that recruits highly qualified American technical advisers, professionals and directors of major American companies to share their many years of experience with the businessmen of the developing countries. They offer themselves as volunteers to help the public and private sectors and to thereby contribute to improving the management, basic techniques, and increased profitability of the enterprises to which they are assigned.

The adviser experts chosen by the CISE work voluntarily on a short-term basis throughout the world. They provide the assistance that the enterprise needs and prepare the directives that the customer can apply in the immediate and long-term future. In this way, they have carried out more than 9,000 projects in 75 countries and contributed to improving food production, the health sector, textile and clothing industry, banking and financial procedures, construction techniques and systems of transport and communications, industrial processes, marketing techniques, exploitation of mineral resources, export methods, government and educational services, tourist infrastructure, etc.

The CISE receives grants from the U.S. AID and has participation by about 600 American companies as well as certain customer enterprises.

The CISE activities in Morocco will be managed and coordinated by the recently named director of operations in Morocco, Houghton R. Hallock, who worked for 44 years as a civil engineer. On his recent retirement he was vice president and partner of the one of the largest American engineering companies, where he was responsible for all operations in South America, and spent 6 months as director of a major depot in Vietnam.

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MOROCCO

SECOND PHASE OF MOHAMMEDIA PORT EXPANSION BEGUN

Casablanca LA VIE ECONOMIQUE in French 15 Mar 85 p 17

[Text] On 7 July 1980, His Majesty King Hassan II inaugurated the work on the first phase of expansion of Mohammedia port. With this phase now completed, a ministerial delegation has launched the second phase of these projects, including three with planned completion in 1986. The delegation was composed of Azzedine Guessous, minister of industry, commerce, and tourism; Mohamed Kabbaj, minister of equipment, vocational training, and staff training; Bensalem Smili, minister of ocean fisheries and merchant marine, and Moussa Saadi, minister of energy and mines.

An initial study envisaged construction of two depots of 60,000 to 100,000 tons for coastal shipping and for crude oil, while the studies undertaken for the national ports master plan as well as the complementary annex studies, in addition to the feasibility study of Casablanca port, made it possible to provide new elements that enabled modification of these projects, both for the oil port and the commercial port.

The new configuration of the port and the location of the oil depots to receive ships of 150,000 tons makes it possible to foresee the possibility of receiving so-called "GPL" ships of 75,000 to 80,000 cubic meters for importation at one of the two positions reserved for crude imports.

Three Construction Phases

The construction has been divided into three phases, of which the first can be summarized as follows:

--A main sea wall 2,800 meters long, reaching a depth of 30 meters at high tide,

--A secondary sea wall 457 meters long at the outlet of the oil port and the commercial port,

--An area of 22.5 hectares prepared in the sea that will serve as the basis for future phases of this extension project.

The first phase having been completed, the ministers inaugurated the second phase, which includes:

--Depot A: 150,000 tons of crude and 30,000 tons of naphtha,

--Depot B: 100,000 tons of crude (expandable to 150,000 tons) and 75,000 cubic meters of GPL.

This second phase thus involves establishing the necessary infrastructures and superstructures for putting the oil port into operation.

These two oil depots are designed to receive ships of 100,000 and 150,000 tons. A platform and an overpass for mooring and coming alongside will also be constructed, with the superstructure providing the link between the oil depots platform and the operating services for the port and users. These services include the equipment of the oil depots, a rinsing station, a fire fighting facility, a ballast removal station, and an electricity distribution network.

Completion October 1986

The cost of this construction is estimated at 275 million dirhams (DH) (96 million for the infrastructures, 129 million for the superstructures, and 10 million for the engineering and supervision of construction), while the estimated completion time is 20 months, or October 1986.

The third phase of this construction for expansion of Mohammedia port will include installation of a depot C (150,000 tons), then a depot D and E of 10,000 tons for coastal shipping. The development of traffic after 1985 will be the governing factor in continuation of these projects.

Commercial Port

The commercial port has not been forgotten. It will include a grain terminal with a 400-meter pier accessible to ships of less than 15 meters draft and 80,000 tons gross capacity. This is a very common size of ship that is regarded as very economical for bulk transport, particularly for grain.

This commercial port also includes a container terminal to be started in 1986. Later, there will be a second stage of expansion of Casablanca port beginning in the year 2000.

Center for Vocational Training

After the inauguration of the second phase of expansion of Mohammedia port, the ministers laid the cornerstone for a training center for repair of radio and television equipment, electrical maintenance, boilermaking, auto mechanics, refrigeration and air-conditioning, industrial drawing, building drawing, and ... typing.

This center, which will cost 8.65 million DH, including 4.4 million for construction and 4.25 million for the necessary equipment, will have two general classrooms, three specialized classrooms, six workshops, one store, a health facility, and an administrative unit. Mohammedia prefecture already has 12 vocational training centers, including nine at Mohammedia itself and three at Ain-Harrouda.

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MOROCCO

MANAGING DIRECTOR OF COAL MINES ON DEVELOPMENT OF JERADA MINE

Casablanca LA VIE ECONOMIQUE in French 22 Mar 85 pp 4,5

[Interview with Allal Kanouni, CDM managing director, by correspondent Mohamed El Amine Palamino; date and place not specified]

[Text] The task of the Moroccan Coal Authority (CDM) is research, study and exploitation of the coal deposits, as well as processing of their products.

Located some 60 kilometers southwest of Oujda, the Jerada anthracite deposit extends 25 kilometers in length and 4 kilometers in width.

The Jerada coal is a typical anthracite containing 4 to 7 percent volatile matter, 4 to 7 percent ash, and up to 1.60 percent sulphur.

The productive group is composed of three beds, designated A, B, and C, with a thickness of between 40 and 90 centimeters.

The geological reserve is estimated at about 160 million tons.

Development of production is one of Morocco's major objectives, and to this end the World Bank has granted a loan of \$27 million to Morocco for development of this mine.

To obtain more information on this subject, our Rabat correspondent Mohamed El Amine Palamino met with Allal Kanouni, managing director of the CDM, who answered our questions:

Question: What short-term and long-term objectives does the CDM propose to achieve in view of the financing granted by the International Bank for Reconstruction and Development (IBRD).

Answer: First of all, I should explain that the \$27-million-dollar loan granted by the World Bank is only part of the financing required for the development of the Jerada mine.

In fact, the total investment will be \$73 million. The financing will be provided as follows:

--IBRD \$27 million;

--KFW \$12 million, established under the Moroccan-German cooperation agreement in October;

--France \$8 million;

--The CDM's own funds for self-financing of the balance, or \$26 million, without any state assistance.

This investment will be used to modernize the mine in order to increase production of branch V from 400,000 tons per year now produced to 1 million tons per year in 1988. It should be noted that the total current production of the mine is 837,000 tons per year, of which 400,000 is from branch V and 437,000 from two branches (Bassin Nord and branch IV east) that are being depleted and will close around 1987.

The modernization of branch V will be along several main lines:

--Expanded studies to better define the structure of the deposit;

--Mechanization of the face cutting, the gallery sinking, and transport of personnel and equipment;

--Sinking and equipment of a new shaft (called shaft III) for handling of product and equipment, and for transport of personnel;

--Improvement of ventilation and dusty environment, contributing to a major reduction in silicosis;

--Stepping up of vocational training and preparation of personnel for the new tasks;

--Strengthening of management and the coal infrastructure.

Along with this project for modernization of the Jerada mine and its branch V, the CDM is currently studying a series of projects to increase profitability of the Jerada mine products and a greater increase in its production. These projects involve:

--Installation of a washer for small coal with a capacity of 800,000 tons per year that will provide a product that is better processed and more marketable to the powerplants and cement factories;

--Installation of a 14 megawatt powerplant to use coal shale left over from washing;

--Installation of a unit for 150,000 tons per year of smoke-free briquettes using small coal that is better for use in domestic heating;

--Opening of a new branch VI to produce a further 1 million tons per year beginning in 1993.

The feasibility studies for these projects are underway.

The financing may take several forms, in particular a possible partnership of various members. This partnership could operate with a capital participation, or participation in the form of human and material resources.

In effect, the CDM objectives can be summarized as promotion of national coal production and profitability, and are part of the policy directions adopted by the government of His Majesty Hassan II, may God give him glory.

Question: What are the current reserves, and is there hope of increasing them through new discoveries?

Answer: The CDM's reserves are estimated at 160 million tons, including 35 million detected by drillings carried out thus far and 15 million tons already being exploited..

A recent contract with a German company provides for a series of 20 deep drillings. The objective is to better define the reserves and the structure of the Jerada deposit.

There are other indications of coal across the kingdom in the high plateaus and in Tarfya region. Prospecting is underway in the sectors concerned by the Mineral Prospecting and Investment Office (BRPM) and the department of geology in the Ministry of Energy and Mines.

Question: What is the role of coal in the country's energy policy?

Answer: The answer to that question can be tackled from several angles: first, I should point out that of the Jerada mine production 80 percent is marketed to the Jerada thermal powerplant, 10 percent to various industries and domestic heating in Morocco, and 10 percent is exported.

The CDM's turnover is 330 million DH, of which 80 percent comes from local sales and 20 percent from exports because of the high export prices.

The national coal production provides 25 percent of power production, and saves the country from importing 350,000 tons of oil, or 7 percent of the national consumption.

Increased production will enable improvement of these figures.

The economic profitability of the project for modernization of Jerada mine is 41 percent if you take into account substitution of coal for fuel. Each 1 million tons of coal produced saves the country 1 billion DH in foreign exchange for importation of fuel.

On the social level, Jerada mine employs 7,000 people and provides resources for more than 50,000 residents. It actively participates in education of

miners and their children, and their obtaining of the means to improve their standard of living, and assures development of the eastern region of the country.

Aware of the important role played by the CDM in the national economy on the one hand, and in the national energy sector on the other, a plan for rehabilitation and development of Jerada mine was prepared with the help of the Ministry of Energy and Mines, the Ministry of Finance, and the Ministry for Economic Affairs. As a result, sale prices were updated, net production improved, and the CDM's financial situation rectified.

In the wake of these actions, the feasibility study for the project to develop branch V was prepared and approved by the World Bank. The conclusions of the study show:

--A financial profitability rate of 26 percent.

--An economic profitability rate of 41 percent.

The CDM is thus undertaking a development plan on sure foundations in order to play its assigned role in the context of the national energy policy, and is mobilizing all its human and material potential to fully participate in the country's economic effort, under the enlightened leadership of the guarantor of our economic development, his majesty the king.

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MOROCCO

BRIEFS

SMARA IRON ORE DEPOSIT--In his speech at Laayoune to the Royal Consultative Council for the Saharan provinces, his majesty the king announced the discovery near Smara of an iron ore deposit, reportedly larger than that of Gara Djbilet, near Tindouf. The main obstacle in operating the iron mines is the distance from the sea. However, Smara is 200 kilometers from the ocean, and the new port of Laayoune could serve as a useful outlet, especially since the ore trains could reach the sea without obstacle and with a gentle gradient. The Ifrane agreements between Morocco and Algeria provided for joint exploitation of the Gara Djebilet ore, and export by a port on the Atlantic. However, shortly afterward Algiers assigned a mission of Soviet experts to study the possibility of exporting the ore via the Mediterranean. There was no need to consult experts to conclude that this alternative was not possible. The ore trains, particularly when it is a low-content ore like iron, could not climb steep slopes. Another essential factor: the high content of the ore. The Bleida copper mine, near Bou Azzer, has ore that is the richest in Morocco. Exploitation of this ore remains profitable even when metal prices are depressed on the world market. In regard to iron ore, the content is an essential element in profitability. [Text] [Casablanca LA VIE ECONOMIQUE in French 22 Mar 85 p 3] 9920

INDUSTRIAL COOPERATION AGREEMENT--Pursuing its activity to promote industrialization of the country, the Office for Industrial Development (ODI) reached a cooperation agreement with the Company for the Industrial Development of Andalusia (SODIAN). The purpose of this agreement is to further the exchange of research, technology transfer and the realization of related industrial investments between the Andalusian promoters and their Moroccan counterparts. According to the terms of this agreement the two institutions will deal particularly with the exchange of information for the purpose of identifying investment projects which will in turn ensure study and dissemination of information among interested industrial promoters. This bilateral cooperation found expression in the organization of industrial missions in May to Morocco and Andalusia. Moroccan industries interested in possible cooperation with their Spanish counterparts are invited to contact ODI. [Text] [Casablanca LA VIE ECONOMIQUE in French 15 Mar 85 p 18] 9920

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ISRAEL

OIL EXPLORATION AT THE CROSSROADS

Jerusalem THE ISRAEL ECONOMIST in English Mar 85 pp 13-15

[Text]

Traditionally a dominant factor in oil exploration, the Israeli government accounts for some 60% of the \$250 million invested in the past decade in the search for indigenous oil and gas reserves. Despite these efforts, commercially viable quantities of oil have not yet been found in Israel. All government drilling operations have been halted for the duration of a two-year re-evaluation period. In the past several years, 10 public oil-exploration companies have raised over \$29 million on the Tel Aviv Stock Exchange. How have these funds been spent? What impact will the new government policy have on oil exploration activities in Israel? Dan Halpern examines the legislative, financial, and practical aspects of the industry.

Israel spends approximately \$1.7 billion annually to meet its raw petroleum requirement of some 6.5 million tons per year. For reasons of national security as well as economic independence, the Israeli government has long sought to foster oil exploration as a means of ultimately reducing the burden of petroleum imports.

Numerous experts have expounded on the vast oil reserves which may lie beneath the surface of the modern State of Israel. In 1962, the Wax report, prepared by the former chief geologist at Exxon, estimated that Israel's retrievable oil and gas reserves exceeded 500 million

barrels and that decades of intensive work would be necessary to exploit this potential. In 1979, the Wilson report, prepared by the former vice-president for exploration at Shell, estimated Israel's potential oil reserves at some 330 million barrels, excluding the Dead Sea and Mediterranean Sea areas. For the Dead Sea region, Wilson indicated far greater extractable oil reserves, while he declined to comment on the Mediterranean region for lack of adequate data. In 1980, the Superior report, prepared by the professional staff of one of the largest independent oil companies in the US, added support to the thesis that significant retrievable oil reserves exist in Israel.

Common to all of the major reports published to date is the call for an intensive, long-term research program, with particular emphasis on the Dead Sea and Negev regions. In this regard it was stressed that many years of intensive research had been required in Saudi Arabia, Libya, and the North Sea prior to successful exploitation there. The message is clear: the oil exists, but extensive research will be necessary to extract it in commercial quantities.

Over the years, a complex web of government organizations has been established to search for indigenous oil sources. The government-owned Israel National Oil Company (INOC) is the umbrella organization, and its subsidiaries include:

- Lapidot — full operator as well as subcontractor for oil-drilling services.
- M.G.N. — oil-exploration investment company.
- Metzada — Lapidot subsidiary providing services similar to those of Lapidot, although it is not a full operator.
- Naphta — Lapidot subsidiary engaged in gas drilling and exploration.

- **Oil Explorations (Investment) Ltd.** — full operator, providing complete geological and physical services, and the primary government oil-exploration investment firm.
- **Institute for Petroleum Research and Geophysics (IPRG)** — contractor for geophysics research, providing seismic, gravity, magnetic and geoelectric surveys.

The Israel Petroleum Law

The manner in which petroleum exploration and development may be carried out in Israel is set forth in the Israel Petroleum Law (1952), and is further elaborated in the National Energy Authority Law (July 1977). The basics of the essentially liberal law are presented below.

No person is allowed to explore for petroleum without a preliminary permit, which is granted for testing in a specific area only. Drilling, however, is not authorized on the basis of a preliminary permit. A priority right, required for drilling, grants the holder the first opportunity to seek licensing for a given site. A license is traditionally granted for areas up to 400,000 dunams, and is valid for three years, although an additional four-year extension is possible. Whereas a license allows oil exploration, a lease permits long-term, exclusive exploitation for up to 30 years, with a possible 20-year extension. The holder of a lease must pay a 12.5% royalty to the government if he finds oil.

A licensee must show, through an intensive work program, a serious commitment to developing the area under license with "due diligence". In addition, he must show that he has adequate cash flow and the ability to carry out his work plan according to "accepted industry practice".

The holder of a petroleum right is eligible for a wide variety of tax incentives encompassing the whole range of taxes, including corporate and capital gains taxes, depletion allowances, and import duties.

It should be noted that the Israel Petroleum Law does not apply to the West Bank, Gaza, or the Golan Heights, nor did it apply to the Sinai oil fields prior to the withdrawal. Oil policy in the administered territories is based on administrative law promulgated by the regional military government, and regulations and permits required in the territories mirror those which apply under the Petroleum Law within Israel proper.

Investment and financing

Oil exploration is a very expensive business in which very high risks are offset by high potential gain. The search for oil and gas requires vast sums of money and carries absolutely no guarantee of success. A "prospect" (proposition that oil exists in a given location) can easily cost \$3-4 million or more. The prospect itself is a booklet in which past expenditure, drilling costs, economic projections, and risk-benefit analysis are examined. A site operator generally absorbs the cost of compiling the prospect, which is distributed to various investors and stock brokerage firms in Tel Aviv and New York. By arranging the necessary financing, the operator demonstrates his "ability" to implement a prospect.

In addition to the extensive tax concessions for firms engaged in oil exploration, the Israeli government provides investment grants, once the following criteria are met. First, the funds involved must be foreign currency raised abroad. Second, a professional committee, composed of members of the Energy Ministry and INOC, confirms project viability. If both these criteria are met, funding is authorized according to the following alternative formulas, "within the constraints of the budget".

Option 1 — Loan: The recipient obtains from the government a loan of \$1 per \$1.50 invested for a period of 12 years. This amounts to the difference between 4.5% (an arbitrary level set by the government) and the actual interest rate the recipient must pay to a commercial bank in his home country. The investor himself is responsible for arranging such bank financing. This loan option has never been exercised.

Option 2 — Grant: The recipient is allotted 44.34¢ per dollar at present value (immediate cash grant) and need not return a single penny until oil is found, after which the grant becomes a loan and must be returned to the loan fund. At present, only two firms have received these grants: Isramco received \$400,000, and King David received \$1,000,000. Although three other companies received authorization for government grants, they failed to raise the necessary capital abroad. Seismica was to have raised \$28 million in the US and then receive \$12 million in government grants. So far, however, it has raised only \$10 million in the US and is therefore eligible for only \$4.5 million in government grants.

The past decade: 1975-1985

During the past decade, the Israeli government was the primary force behind oil exploration in this country. The government financed directly or indirectly — through its numerous drilling and exploration subsidiaries — every drilling operation initiated during this period. Since 1948, only 17 million barrels of oil have been produced, primarily from the Heletz and Rosh Zohar fields, and from the traces of petroleum found at Ashdod, Shikma, Arad, and Netura. Other than the Alma and Sdot fields in Sinai, which were returned to Egypt as part of the withdrawal, oil exploration in Israel has not yet resulted in commercially viable oil finds.

How much was spent in the last decade on the search for indigenous oil sources? Between 1975 and 1984, some \$250 million were invested in oil exploration in Israel: \$95 million by the State, \$55 million from independent INOC sources (primarily profits earned from the North Sinai oil fields), and \$100 million by private individuals and companies. Of the total, \$62 million were spent on geophysical studies and the remaining \$188 million on drilling activities.

For the fiscal year 1983-84 (the last year for which complete data is available), the following picture emerges: more than \$11,685,000 was funneled directly from the government budget into oil exploration; INOC and OEL together invested \$27,524,900; and independent operators invested a total of \$17,240,000. Of the \$8,346,300 invested by private companies, \$6,314,000 were invested by local firms, and only \$2,031,700 were invested by foreign partners. Subtracting the \$19,212,000 spent in 1983-84 on geological testing, the total sum spent on oil exploration was \$44,764,900.

In October 1984, Energy Minister Moshe Shahal accepted the Rosenzweig report, an independent analysis by petroleum consultant Alfredo Rosenzweig. The report recommended the following: government oil and gas drilling should be suspended for a two-year "cooling-off" period; a systematic approach to geological research should be undertaken; and all data gathered to date should be re-examined.

With Shahal's acceptance of the Rosenzweig report, new drilling activity on the part of the Israeli government ground to a halt. What will be the fate of the private and public oil-exploration projects, given the government's decision not to participate in future drilling projects?

The Tel Aviv Stock Exchange

Until several years ago, the shares of only three firms engaged in oil exploration were sold on the Tel Aviv Stock Exchange (TASE): Paz Oil Exploration, Naphta, and Fedoil. In 1982, however, oil shares aroused considerable interest and several new firms succeeded in raising \$20 million through public share offerings. Today 10 oil-exploration stocks are sold on the TASE.

In the interim, both the TASE and the oil industry have suffered setbacks. Although many stocks on the TASE are currently undervalued, oil shares are of particular interest to speculators. With an undervalued total market price of approximately \$12 million, oil stocks have become an attractive investment.

Throughout 1984 the amount of real assets controlled by oil firms but not invested in exploration-related activities rose substantially. This caused a considerable erosion in the real value of oil stocks, controlled primarily by institutional investors, bank provident funds, and mutual funds.

Oil firms don't necessarily drill for oil, especially now with the freeze on new government drilling activity. In practice, most oil companies have become investment firms, using the funds raised through public share offerings, most of which have not been invested in oil exploration, for more liquid investments offering greater and more predictable profits. In general, the market price of oil stocks is not a valid indicator of their real value.

For example, Teroil, which was taken over by the Oren-Adini group, has sizable investments in the US and one year ago had \$3 million invested in liquid assets. Today, the firm's value is estimated at half that amount. Although Teroil's financial reports do not clarify anything, it is evident from the information available that most of the firm's capital is invested in liquid assets, such as index-linked bonds or profitable dollar-linked investments whose value has remained intact.

Jerusalem Oil Exploration Ltd. (JOEL) has shares with a current market value of \$1.6 million, although the real value of its stock may be double that figure. JOEL, however, is actually searching for oil and, therefore, has a relatively smaller fraction of its assets in liquid investments. Furthermore, the \$280,000 current market value of Fedoil stock is also amazingly low, especially given the firm's income from its participation in the Ashdod drill site. Like most of the other oil-explora-

tion companies, Fedoil has diversified its portfolio with a wide variety of investments.

As mentioned previously, market value is not always the overriding concern. Thus, the Oren-Adini group circuitously acquired first Teroil and then North America. In the process, the nature of the public shareholders' investment was distorted and Teroil was transformed into an investment holding company with North America as its subsidiary.

When evaluating potential risk versus potential gain, one must remember that unless oil is eventually found in Israel, the funds invested thus far will go down the drain. Although recognition of this fact is widespread, investment strategy differs from firm to firm. For example, JOEL offers a higher risk and a higher potential gain because of its relatively heavy investment in a smaller number of drill sites. In contrast, other firms, such as Paz and Fedoil, have spread out their oil investments — and risks — over many drill sites.

The search for oil continues

Dr. Armand Hammer, chairman of the board of Occidental Petroleum, will reportedly begin oil exploration in Israel as early as March 1985, after receiving the necessary government permits. The \$19-million, three-year exploration plan will be known as the Negev Joint Venture and will be carried out by Dr. Hammer,

JOEL, and Delek Exploration. The project is reportedly eligible for \$4.9 million in government grants.

Hammer's decision to invest in oil exploration in Israel at this time is something of an enigma, especially in light of the current economic climate and the cessation of government drilling projects. Moreover, for some time now firms in the industry have been slowing down their exploration programs and many have frozen their drilling plans altogether, because of both the lack of government participation and the difficulties of raising foreign investment capital.

The few times oil was found in Israel, it was in the most infinitesimal quantities, and in most cases the meager resulting income did not cover the heavy expenses involved. Thus, for some time now most of the firms in the industry have suffered losses on their drilling activities. It's no wonder that most of the income earned by oil-exploration firms derives primarily from financial transactions in securities and other investments unrelated to oil drilling.

Despite the industry slowdown, some firms are actively searching for oil. Examples are the Hammer/JOEL/Delek Negev Joint Venture, and JOEL's other drill sites (Gurim IV and V, Cochav 26, and Shaul 1 — in preparation). All of JOEL's exploration activities are conducted in coordination with both the Eastern Mediterranean Oil and Gas Co. (EMOG), the firm's parent company, and its sister company, Isramco. Another project with great promise is the Dead Sea Jordan Rift Valley Oil Exploration Project, which will commence shortly, carried out by Seismica Oil Exploration Ltd. The relatively large, 1.6-million-dunam site will facilitate a concentration of all oil-exploration efforts in the Dead Sea area. Seismica, established in 1983, raised \$4.7 million in a public share offering on the TASE. The firm's four-year, \$50-million work plan calls for drilling 10 deep wells and considerable seismic testing. The first stage has already begun, with preparations at the Har Sdom drill site under way.

Since the firm did not have at its immediate disposal the \$50 million necessary to carry out the work plan, investors for the new venture were sought. In August 1984 an agreement was reached whereby the New York brokerage firm of Oppenheimer and Co. was to raise \$34 million through "limited partnerships", and Seismica would operate a subsidiary, to be called Har Sdom, which would have been the general partner. Under US tax law, investment in oil exploration in a foreign country is a legitimate tax deduction. For wealthy American investors, whose marginal tax rates range as high as 70-80%, such an investment would be almost entirely at the expense of the US treasury.

Seismica expected to raise most of the \$50 million in this manner. Several months later difficulties arose and the plan to raise investment capital through Oppenheimer was frozen, if not cancelled altogether. Seismica has not yet raised one cent of the \$28 million in foreign investment needed to receive \$12 million in government funding. As long as the company fails to raise foreign investment capital it is ineligible for government funds.

OIL-EXPLORATION STOCKS – MARKET VALUE SINCE NOV. 1984

Company	Market Value as of Feb. 17, 1985 (\$ million)	Increase in Dollar Terms Since Jan. 1, 1985	Percentage Increase in Dollar Terms Since Jan. 29, 1984
Delek Oil Exploration	1.24	34.7	6.8
Paz Oil Exploration	17.57	44.2	42.0
Teroil	2.07	52.6	83.0
JOEL	2.72	64.8	131.4
M.G.N.	3.30	65.0	134.0
Seismica	2.80	127.6	137.6
Fedoil	0.46	76.9	155.0
North America	1.41	67.8	113.6

The firm's current investment plan calls for raising capital in the following manner:

\$ 5.0 million – Seismica
\$ 2.5 million – Paz
\$ 2.5 million – Paz Consortium
\$10.0 million – INOC
\$10.0 million – Foreign Investment Group
\$30.0 million
+ 4.5 million in government grants
= approximately \$35.0 million

If Seismica actually succeeds in raising only \$5 million in foreign capital, its government grant will drop to \$2.2 million. In any event, Seismica is anywhere from \$15-20 million short of the \$50 million needed to complete the project. Perhaps in the interim, changes in US and Israeli tax law will facilitate Seismica's efforts to raise investment capital abroad.

Oil projects

Besides JOEL and Seismica, what projects are the other oil-exploration firms traded on the TASE involved in?

- **Paz Oil Exploration** is expected to participate with Seismica in the Dead Sea project.
- **Fedoil** is a partner in the Ashdod lease and in a number of isolated drill sites, although it is unclear whether any of these projects will actually be carried out, with the exception of the Gurim-5 site operated by JOEL.
- **M.G.N.** is a government-owned partner with Seismica in the Dead Sea project, and with JOEL in the Julie site.
- **Delek Exploration** operated the carve-out at Cochav 26, and is a minor partner in JOEL drill sites as well as in the Negev Joint Venture.
- **North America** invested in the Or HaNer drill site, which has since been

cancelled, as well as other sites, and is currently looking for new projects.

- **Teroil** has a new role as an investment holding company, and participates in drilling projects only through its subsidiary, North America.

It is still too early to mourn the death of the Israeli oil-exploration industry. Despite the cessation of government oil drilling, several projects under way appear promising and may yet yield commercially viable oil discoveries. For the "oil-exploration" firms which never seriously searched for oil, their undervalued stocks may offer an attractive investment opportunity, even if their primary sphere of activity has absolutely nothing to do with oil drilling.

The Energy Minister's decision to halt further government drilling programs until all previous research has been properly analyzed is a sensible, albeit temporary, solution. In the long run, a more fundamental set of questions must be addressed: namely, to what extent, if at all, should the government be involved in oil exploration in Israel, and to what extent has government activity actually influenced oil discoveries in the past? Perhaps now might be an opportune time for the government, which has openly advocated divestiture of companies it controls, to begin to get out of the business of oil exploration. ■

In researching the process of oil exploration in Israel, great pains were taken to provide an accurate, balanced view. To verify our information, a detailed questionnaire was sent to each company involved in oil exploration in Israel. To state that the firms' response to our inquiry was less than overwhelming would be a gross understatement. Nonetheless, we feel the picture of the industry presented below is fair and accurate.

ISRAEL

WEST BANK DEVELOPMENT COMPANIES GO PUBLIC

Jerusalem THE ISRAEL ECONOMIST in English Apr 85 p 14

[Text]

Sheva, the Judea and Samaria Development Corporation, is trying to raise \$10 million towards investments in several West-Bank-based projects. According to Sheva general manager Yosef Dreizin, several of Sheva's daughter companies may go public within the next 18 months. These firms include Ramot Insurance Agencies, Tadir-Sheva Ltd. (a concrete maker) and Sheva Investments. The latter is a joint venture of Sheva and Otzar VeHishachon, an owner of the Bank of North America. Sheva Investments is setting up a science-based industrial park in Ariel, and a joint project with the Nahal Soreq Nuclear-Research Authority to implant nitrogen ions in metals. Sheva is currently negotiating with several US firms to raise \$5 million for the latter project. Other daughter firms include Or-Sheva and Sheva Engineering, real-estate development companies with several projects on the West Bank.

CSO: 4400/125

COMMERCIAL FIGURE DISCUSSES POLITICAL, RELIGIOUS COMPOSITION OF ASSEMBLY

Kuwait AL-MUJTAMA' in Arabic 2, 9 Apr 85

[Interview with 'Abd-al-'Aziz al-Saqr, President of the Chamber of Commerce: "No Administrative Reform Which Does Not Begin with the Resolute, Just and Equal Application of the Laws Will Amount by Nature to More Than a Tranquilizer"]

[2 Apr 85 pp 14-19]

[Text] 'Abd-al-'Aziz al-Saqr, [known as "Uncle Bu Hamad"], the first chairman of the National Assembly, current chairman of the Chamber of Commerce of Kuwait, and man with a rich record and profound history of service of his country in the various political, economic and social fields in which he has immersed himself, is one of the few men in Kuwait with the likes of whom the people have the right to be proud to be associated.

AL-MUJTAMA': Do you believe that the principle of the separation of powers which the Kuwaiti constitution embraces has, in the practice of the past 20 years, fulfilled the provisions you made when you established the constitution? That is, have the three powers been able to exercise their responsibilities and areas of competence in an independent manner without being affected by one another?

Uncle Bu Hamad: The constitution of the state of Kuwait asserts that the regime is founded on the basis of the separation of powers and their cooperation with one another, and it prohibits any authority from relinquishing all or some of its areas of competence as stipulated in the constitution.

The constitutional provision regarding the principle of the separation of powers is clear and explicit. I can say that respect for this provision and commitment to it in the 23 years which have elapsed since the constitution went into effect have been satisfactory and reassuring, especially when we remember that the separation of the three powers must take place in the context of constructive cooperation among them so that the general objectives of the government, such as freedom, justice, equality and economic and social development, may be realized. It is not surprising or farfetched in this context of cooperation that the decisions and positions of either the

legislative or executive power should be affected by the views of the other power, on condition that this influence occur out of conviction, be in favor of the public interest, and not come about as a result of pressure or arbitrarily.

AL-MUJTAMA': Are the political freedoms and general rights the constitution has given the citizen adequate, and is there no need for further freedoms?

Uncle Bu Hamad: The constitution has preserved the citizen's human dignity and has guaranteed his personal freedom. It has affirmed the freedom of belief, opinion and scientific research, the freedom of the press, printing and publication, and the preservation of inviolability of places of residence and independence of the courts. It has also explicitly stipulated the citizen's right to personal property, work, education and the formation of societies and unions.

The constitution of Kuwait, like all the constitutions of democratic countries, contents itself with setting out the general principles, leaving it to the laws to determine the methods and details of application. Consequently, I believe that the stipulations the constitution has made in regard to the citizen's freedoms and rights are clear. The important thing is concern with commitment to the text and spirit of the constitution and its full receptivity to anything which will provide the citizen security, freedom and honor in laws, supplementary legislation and actual daily application.

AL-MUJTAMA': In one of your interviews and writings, you mentioned that Kuwaiti democracy is passing through a process where it is becoming stripped of its true substance. What do you mean by that?

Uncle Bu Hamad: I believe that there is vagueness in this question, since I did not previously write or make the statement cited in the question.

AL-MUJTAMA': Did you imagine, while you were discussing the establishment of the constitution, that one of the articles in it would give the right to suspend parliamentary activity? What personally is your opinion on the suspension which occurred in 1976?

Uncle Bu Hamad: The constitution of Kuwait contains articles governing the method for revising or amending the constitution which state the circumstances and conditions for dissolving the National Assembly. However, I am not speaking of the presence of a specific article dealing with the subject of the suspension of parliamentary activity. The emir's order issued in 1976 which the question refers to was based not on a specific constitutional article but rather on considerations related to the interests of the country in general. The fact is that in most countries which are new to the democratic system, the course of democracy is subjected to setbacks which the consciousness and unity of the people and the regime's understanding and perspicacity will guarantee are transcended and surmounted. We give thanks to God that the people of Kuwait and its political leadership have proved this.

AL-MUJTAMA': Do you believe that the draft revision the government has presented is a formal one or that it infringes on the apportionment of the

three powers, that is, that it infringes on the principles of freedom, equality and justice?

Uncle Bu Hamad: If the "draft revision" is just a formal amendment of some articles in the constitution, that would totally negate the justification for it, since the constitution is too important to be exposed to amendment just for the sake of formal change. Consequently, it is necessary that the government's objective, in the "draft revision" it had previously submitted, be more farsighted than that. In my opinion, many of the amendments included in the draft have infringed on "participation by the people" by "causing a reduction in the status" of the role of the elected deputies, if one may use the expression.

AL-MUJTAMA': It is said that the current constitution observes a gradual stage by stage progression in the direction of increasing people's freedoms and rights and participation by the people and that its founders expected that the constitution would be amended in the direction of further freedoms after 5 years of application. Is that correct?

Uncle Bu Hamad: Article 174 of the constitution forbids recommending any amendment to the constitution before 5 years of its execution have elapsed, in the desire to assert the inviolability and importance of and reverence for the constitution on the one hand and in the desire to give constitutional practice a share of time before thought is given to any amendment to it.

Article 175 of the constitution excludes two groups of constitutional provisions from possible or permissible revision or amendment.

First, the provisions bearing on the principles of freedom and equality, unless the revision offers greater guarantees of freedom and equality.

In my opinion, based on the provisions of these two articles, it is difficult to say that the constitution has observed a gradual stage by stage progression in increasing people's freedoms and rights and participation by the people, because our saying this entails an implicit admission that the constitution has kept some freedoms and rights from the citizens, which is not true. What I understand from the stipulations of these two articles is that the constitution has devoted attention to the element of flexibility, in calculating response to future developments and their requirements, has allowed the principle of revision and has given the emir and the National Assembly this right within specific limits and measures. However, at the same time, it has been concerned that such revisions would constitute an infringement of the principles of freedom and equality which it has advocated and has withheld the right of revision in regard to the provisions related to these principles unless the proposed revision gives greater guarantees for the application of these principles.

AL-MUJTAMA': What is your opinion on the 1985 elections in comparison with the elections for the founding assembly?

Uncle Bu Hamad: Between the elections for the founding assembly in 1962 and the elections to the sixth legislative session of the National Assembly in

February 1985 25 years, or nearly 25 years, have elapsed. This was a period in which Kuwait witnessed social, economic and political developments which had to be reflected clearly on all political activities, including the parliamentary elections. The number of voters has increased, their age groups and levels of education have changed and their social notions and political premises have developed. In addition, the number of election districts and their composition have changed radically. New areas have arisen which did not exist, which citizens from the most traditional residential areas have apportioned among themselves. In spite of all this, we observe that there are points of congruence and similarity of the utmost importance between the 1962 elections and those of 1985: first and most prominent is the dominance by political interests or concerns of the atmosphere of the election campaign and its discussions and transactions, such as the constitution, democracy and housing policy, second is the voter's connection between the views and statements of the candidate and his actual past practices, third is the desire to have all ideas and currents represented in the National Assembly, and fourth is the neutrality by which the government's position was characterized in the two instances.

Although the 1985 elections were distinguished by the high level of their discussions and gatherings and by the high percentage of the number of voters, the elections of 1962 were totally characterized by an absence of the phenomenon of buying votes and the candidates' and voters' reluctance to engage in incomplete voting, or what has been known recently as the phenomenon of the "one-eyed vote."

AL-MUJTAMA': When fraud took place in the 1967 elections, what was your reaction? Did you lose your confidence in the feasibility of constitutional activity after that?

Uncle Bu Hamad: My reaction, along with that of a number of colleagues, was to offer an immediate, declared resignation with cause. However, I never lost my confidence in the democratic constitutional system. Indeed, that incident, specifically, increased my faith in the need to adhere to the constitution and work for the sake of carrying it out, honoring it and being committed to it in text and spirit.

AL-MUJTAMA': What is your explanation of the withdrawal of veterans such as yourself, who have helped build Kuwait up, from political activity, especially the withdrawal from the legislative power, since young experts have not benefited from veteran experts?

Uncle Bu Hamad: I do not believe that anyone entering political struggle as a field for serving the nation and the homeland or for the sake of principles and examples he wants to see dominant in his society can withdraw from political activity. However, it is possible for him to withdraw from political action and in my opinion this statement applies to me and many colleagues who tried to perform their duty in service of Kuwait.

We have not withdrawn from political activity. Rather, we have withdrawn from political action, one of whose most important activities is considered to be membership in the National Assembly. Our withdrawal from political

action constituted a desire to pave the way for young people who were children of the nation and confidence in their ability to follow up the course. I do not believe that any of us would stint in offering his counsel and his service whenever he found a need for that, not to say whenever that was asked of him.

AL-MUJTAMA': It is said that the Arab Nationalist Movement has had a foreign and domestic effect on the course of political activity in Kuwait. What is your opinion on this statement?

Uncle Bu Hamad: Although the Arab Nationalist Movement appeared on the Arab stage as a political organization shortly after the Palestine debacle, I believe that its political and social impact did not manifest itself until after the nationalization of the Suez Canal and the period which it has become conventional to designate as the period of the "Nasirist tide," referring to the late President Jamal 'Abd-al-Nasir. Even in this period we cannot discern where the effect of this movement starts and ends and where the effect of the personal leadership of the late President Jamal 'Abd-al-Nasir starts and ends, in Kuwait or in any other Arab country, in a true scientific manner. Perhaps the discrepancy between the activity of this movement and its effect as observed after the defeat of June 1967 and the diminution of the allure of Nasirite leadership, if one can use the expression, and then the death of President 'Abd-al-Nasir, may God have mercy on him, will support the validity of this statement.

AL-MUJTAMA': What is your opinion concerning the political currents existing in Kuwait? Do they represent a healthy phenomenon or an unhealthy one?

Uncle Bu Hamad: In Kuwait, in my opinion, there are rough versions or serious glimmers of political tendencies now which still have to assume "concrete form" intellectually in order that one may explain and characterize them and have to have "the ferment of experience" so that they can be refined and enriched. This is a natural thing at the beginning of the emergence of any political tendency. If we look at these "tendencies" as schools in Kuwaiti political thinking and not as the beginnings of political parties, I believe that they are a completely healthy phenomenon which underlines the genuineness of free thinking and the democratic program among the Kuwaiti people, on condition that all these tendencies commit themselves in word and deed to keeping Kuwait and the interests of its people above every idea and above every theory, and on condition that they be characterized by an intellectual liberalism which does not allow differences in opinion to provoke rancor or cause enmity and rifts, that is, on condition that they also commit themselves to the method of scientific dialogue and democracy in decisionmaking.

AL-MUJTAMA': What are the negative and positive features of the religious currents in Kuwait?

Uncle Bu Hamad: The positive features are numerous. We should never ignore the most absolutely important of them, the enlightenment of young people in the principles of the pure Islamic religion, its beliefs and rituals, and the noble traits of its morality in all areas of private and public life,

and the resistance of missionary and colonialist currents of thought of various sources and creeds.

The most prominent negative feature is that the religious currents, just as stated in the question, are "currents," not a single "current" -- that is, there is a lack of unity in the ranks. The second important negative phenomenon, which could be a cause or a consequence of the first one, is that the various religious groups in Kuwait waste much time and effort in addressing themselves to issues which are not essential at the expense of the essential ones which still need much attention and followup.

AL-MUJTAMA': Do you support the establishment of political parties in Kuwait?

Uncle Bu Hamad: I have previously stated my position regarding this sort of question. In terms of general principle, there is no dispute that organized political parties with clear, declared political, economic and social programs are components of the democratic system. In Kuwait, however, I believe that allowing political parties at this stage will lead to the establishment of parties more connected to tribal and clan beliefs and so forth than committed to these parties' declared political and economic platform. The fact is that it is not just a matter of permitting the establishment of parties. Indeed, it is necessary to depend on the "party system" in nomination, election and representation. This requires an adequate degree of political education and awareness in order to guarantee that it succeeds, and I believe that Kuwait still needs more time to complete this condition before it authorizes "parties" as a base for its democratic activity.

AL-MUJTAMA': What was the nature of the opposition in the founding assembly? What was its objective at that time, in your opinion?

Uncle Bu Hamad: The first and most important task of the founding assembly was to "establish" the bases of democracy and participation by the people and implant the notions of the modern state in government, politics, society and the economy through the country's constitution. Of course, since the basic task is to set out the constitution, the positions of the members of the assembly should be polarized about the articles of the constitution and their discussion and study and the goal of the "opposition," if one may use the expression, should be concentrated on guaranteeing that this constitution should come into being in response to the aspirations of Kuwait and its people for freedom, democracy and progress.

AL-MUJTAMA': Are you content with the role of the opposition in general in Kuwait? Has it led to practical results or has its role been restricted to recording positions?

Uncle Bu Hamad: The "opposition" is a basic, genuine organic part of the body of any democratic system, and freedom, by nature and definition, is for the citizen to have the right to think of alternatives regarding all affairs and the right to choose among these alternatives in accordance with his convictions, while committing himself to going along with the opinion of the majority regarding the final decision. Consequently, we cannot imagine the

existence of true democratic practice without the existence of an aware, sincere opposition. The existence of an "opposition," then, is necessary as long as we are content with democracy as a system. However, that does not prevent us from evaluating the performance of the opposition and the extent of its success or failure, just as we evaluate the performance of the government and the extent of its success or failure.

Concerning the role of the opposition in Kuwait, I believe that it has been a positive one in general, although it has not been free of certain mistakes and positions which I believe have not been a success. Although I do not consider the opposition in Kuwait innocent of these sorts of mistakes and some auctioneering, I fully believe that it would be unfair to say that its role has been restricted to the recording of positions. Indeed, I would go farther than that and say that the Kuwaiti parliamentary opposition has had a positive effect on many main issues, and that it has taken many aware, mature positions which have enriched parliamentary activity and democratic practice in the country.

In any event, we must not forget that the "opposition," by its definition, has a numerical minority among the deputies, because, if that were otherwise, it would have become the decisionmaker. However, that has not prevented the Kuwaiti opposition from being one which has influenced decisions.

AL-MUJTAMA': Opposition has been exercised through two political currents, first, through the previous assemblies and the liberal current, and second, through the fifth assembly and the religious current. What is your opinion about the two styles?

Uncle Bu Hamad: In my opinion, the opposition can have different styles only in the context of undemocratic systems. However, in the democratic systems, where the two parties are committed to the parliamentary game with its firmly-implanted rules regarding freedom of discussion and majority decisionmaking, the opposition has only one style, which is objective dialogue and free discussion within the chamber of the National Assembly and the explanation of views and positions in order to attract the people's intellectual support through the free press and meetings outside the assembly chamber.

Therefore the goal is the same, that is, the public interest, and the method is the same, that is, the democratic method. As to the difference among the various opposition currents, in Kuwait or in other democratic countries, that lies in ideas and premises.

AL-MUJTAMA': It is said that the problems of housing, administrative corruption and an absence of planning have arisen and become exacerbated because of the unsound bases which former administrators set out, which were not dealt with soundly by previous legislative authorities. What is your opinion on that?

Uncle Bu Hamad: I do not agree with this statement. I believe that the essence of the problem is embodied in unsound application or in the failure to apply legislation and statutes. In Kuwait there is no legislation or statute which permits administrative corruption or prevents economic and social

planning, for example. Rather, there are laws, legislation and decrees which demand total administrative discipline and call for planning. However, it is disdain for the application of this legislation and these decrees and the lenient treatment in imposing punishment on everyone who is entitled to it that has led to the problems and complications.

Laws and statutes can always be amended in the light of experience, in accordance with the development of requirements, but no matter how the laws are strengthened and no matter how the statutes are ruled on, they cannot perform the goal for which they were set out unless they are accompanied by just, decisive application at once together.

AL-MUJTAMA': What is your opinion about the policy of giving out citizenship over the past 20 years?

Uncle Bu Hamad: If you ask me about the most blatant errors the modern history of Kuwait has recorded, I will tell you the policy of giving out citizenship in general and the policy which was carried out from the early sixties to the late seventies in particular, since the country is still to this day reaping the bitter fruit of this policy, which arose from purely political motives which did not, in my opinion, have any justification. The most dangerous of these fruits have been tribal ideology and factional fanaticism. If these were the results of what has happened as a consequence of the policy of giving out citizenship, the effort to prevent it from continuing and the effort to make up for its consequences and contain them are the minimal expressions of piety which must be observed.

AL-MUJTAMA': Where were the veterans during the severe crises which Kuwait went through, such as the fraud in the elections, the suspension of parliamentary activity, the al-Manakh crisis, the reduction of the freedom of the press, and so forth?

Uncle Bu Hamad: The "veterans" were not a political grouping or an intellectual current. They were most simply the outstanding men of Kuwait, who served it impartially and sincerely at a time when it was a scene of holy struggle for an honorable living, and they continued to serve it with the same impartiality and sincerity the day it became a pleasant oasis for the easy life.

The "veterans" were where every sincere person was, with those who won resigning in spite of the fraud and none encouraging the continued suspension of parliamentary activity. They were the first people to warn of the al-Manakh crisis and they did not enter this infernal game and did not profit one piaster from it. Indeed, to the contrary, they, like everyone who has committed himself to long-term investments and stayed away from speculation, were its first victims. They never took a stand except on the side of freedom of the aware national press.

AL-MUJTAMA': Why haven't the problems of administrative corruption in the government employment system, such as favoritism at the expense of competence, exploitation of positions at the expense of trust, mediation at the expense of justice, and so forth, been solved yet?

Uncle Bu Hamad: Most simply, leaving aside diplomatic talk, because we, in the case of all the incidents which have brought these problems to the fore, have not yet heard of clear results reached by investigation, the followup of investigations which have led to indictments, or trials which have concluded by determining responsibility and applying penalties against officials, whoever they might be -- that is, because the laws are not being applied justly, decisively and equally. No administrative reform which does not start at this point will rise above being an "amendment" of unsound conditions and a tranquilizer for diseases whose spread and danger are increasing.

AL-MUJTAMA': It is said that the previous assembly succeeded in its legislative session since it issued many successful laws but that conversely it failed grievously in the area of oversight, and the positions it took concerning oversight were weak (for instance, its position regarding the case of the technical guidance officer, requests for information from ministers and administrative corruption). What is your opinion?

Uncle Bu Hamad: Let me put my view in another framework and say that the previous assembly lacked a spirit of initiative without abandoning the expression of opinions and discussions, in the sense that the previous assembly was dominated by a climate of discussion of government recommendations and initiatives and the expression of opinions regarding those, then their approval in the form they assumed or after they were modified, for better sometimes and for worse at other times. However, it did not venture to set out recommendations and drafts of laws concerning vital, important matters. Perhaps the method by which the previous assembly dealt with the al-Manakh crisis is the best example of what I am saying.

AL-MUJTAMA': Kuwait allocates a large sum for Arab support from its general budget. Do you consider that this commitment yields positive fruit or constitutes a burden on the budget, especially in the framework of the deficit which exists now?

Uncle Bu Hamad: At the beginning I would like to assert my deep belief, as a matter of principle, that the unity of Arab ranks and formation of solidarity among its the Arab countries is a matter of life and destiny. The dangers that threaten any Arab country are dangers which threaten the whole Arab world, with its various countries, from the Arab east to the Arab west. If we are hearing of confrontation countries and support countries today, that is just an expression which reflects geographic distance from or proximity to the Zionist enemy and the international forces supporting it; it does not at all mean that a given Arab country is far removed from this danger. There is no doubt that the proliferation of inflamed areas in the Arab nation at present will prove this fact, and indeed will underline that this geographic distance no longer has the same importance as before in defining the Arabs' obligations and priorities.

Kuwait's financial commitments have arisen from this premise, in order to support Arab defense in its various fronts. These are commitments which in my opinion we must view as part of Kuwait's defense expenditures on itself and its independence. Consequently, we cannot discuss the need for them or the extent to which they are positive.

However, what we must indeed discuss is the means for unifying Arab ranks, the means for putting the Arab Defense Treaty into practical application and the means for proposing and carrying out an integrated Arab strategy for standing up against the constant escalating aggression on its various fronts and theaters. What we must discuss is not how much we should pay and how long we should make the payment, but rather how we can liberate our territory, ward the enemies away from ourselves, and gain victory for our religion and our dignity, even if the situation costs all that we own.

AL-MUJTAMA': There is a view which holds that the commercial interests of a deputy and "merchant" are connected in one form or another with government agencies -- therefore his opposition within the assembly will not go beyond the realm of "his own interests" and he does not represent the voice of the friendly opposition. What is your opinion?

Uncle Bu Hamad: First of all, there is no citizen, no matter what his job or source of livelihood is, whose interests are not connected in one form or another with government agencies.

Second, why should we presume in advance that every deputy must be part of the opposition and represent the "voice of the friendly opposition!" The deputy represents the voice of the people, which is not always of necessity that of the opposition.

Third, the phrasing of the question bespeaks an indisputable conviction that the government agencies take their positions regarding deputies based on their support for or opposition to the government, and they are affectionate toward the former and maltreat the latter. This also is an object of dispute and is not acceptable as a supposition.

Therefore, the first thing one must work to guarantee is that the government agencies are neutral and treat all citizens in accordance with the statutes and laws without partiality or deceit.

The second thing the voter must strive toward before casting his ballot into the ballot box is that he should choose the candidate in whom service of the public interest is characterized by sincerity and a disdain for personal interests in performance of the deputy's trust.

In this regard it remains for me to state that past experiences in Kuwait have proved that the majority of the deputies who were men of commerce and liberal occupations were among the most aware, devoted and self-sacrificing of deputies. I do not want to point out what the positions of some deputies who were not businessmen regarding the al-Manakh crisis have established.

AL-MUJTAMA': The first national assembly was established in the era of Shaykh 'Abdallah al-Salim; Shaykh 'Abdallah al-Salim was given the nickname of the father of democracy. What is your view on this personality?

Uncle Bu Hamad: No one denies that the strong personality, intellectual liberalism, farsightedness and deep faith in the principle of consultation had a great effect on the issuance of the constitution of Kuwait as the founding

assembly approved it, fully in response to the desire of the people and to the needs and circumstances of the country.

No one denies that the era of Shaykh 'Abdallah al-Salim, with its achievements on various levels and in various fields, in a manner whereby it set worthy bases for Kuwait's role in the local, Arab and international contexts, will remain an era distinguished by brilliance in the history of Kuwait.

[9 Apr 85 pp 16-21]

[Text] In the previous issue of AL-MUJTAMA' magazine, we published the first part of the interview in which Mr 'Abd-al-'Aziz al-Saqr, chairman of the Chamber of Commerce and Industry of Kuwait, was our guest, and a discussion took place on local and foreign political affairs. In this issue, we will publish the second part of this meeting, in which we will deal with economic affairs from their various standpoints. It is no secret that our uncle Bu Hamad's economic views are of great moral value because of his stewardship of the Chamber of Commerce and Industry for a long period and his extensive pursuit of economic activity.

AL-MUJTAMA': Is the Chamber of Commerce and Industry a society of public utility or a professional union, or an organization which differs by nature from such organizations?

Uncle Bu Hamad: The Chamber of Commerce and Industry of Kuwait in reality is a bit of the former and a bit of the latter and an institution which is different from the two at the same time. It is a society of public utility, on grounds that its basic and ultimate goal is to serve its society and it in no way has the goal of realizing material gain or special interests. It is a professional union because it has the honor of representing all the members of the Kuwaiti economic family with their various commercial, industrial, financial and service activities, regardless of the magnitude of their organizations and activities. After that, it is an organization which differs from societies of public utility and professional unions, because it is not subordinate to the Ministry of Social Affairs and Labor like the former and does not represent the vocational interests of a specific class like the latter. Rather, in its activities, policies and goals, it proceeds from the premise of realizing the public interest for the national economy as a whole, in the sense that when it discusses a specific economic issue or specific vocational matter, or offers general economic recommendations, it proceeds from the interests of the domestic economy in general, not from the interests of a class of people in it or one of its activities.

AL-MUJTAMA': The Chamber of Commerce and Industry has special status in Kuwaiti society and is held in high esteem in decisionmaking. Where did the Chamber of Commerce and Industry get this status and consideration? Is it because political decisions are always connected internationally to economic decisions? Or is it because the commercial class in the past had an obvious, major role in participating in government in Kuwait and the status of the Chamber of Commerce is a historic extension of this role? Or are there other views regarding the emergence of this status?

Uncle Bu Hamad: There is no doubt that the organic interconnection between politics and economics in our present era has contributed greatly to the emergence and spread of chambers of commerce and industry in various areas of the world in the framework of different economic systems and has given these chambers increasing importance as economic institutions with a local and international role.

There is no doubt, either, that the nationalist vanguard role played by the Kuwaiti economic family (I am not saying the commercial class), in creating and consolidating the Kuwaiti political entity, in realizing the independence and freedom of that entity as an independent sovereign country and in setting out the foundations of this country's democratic program, was one of the most important causes which prompted the Chamber of Commerce and Industry of Kuwait to have a distinctive role as an organization which derives its national genuineness from the efforts and holy struggle of the members and organizations of the family whose representation it is in charge of.

However, I believe that these natural, historic causes, important as they were, would not have been able to maintain the chamber's current status in its society had it not been for the chamber's commitment, since its establishment a quarter century ago, to a scientific, objective understanding view of the nature of its society which is open to positive development and renewal and adheres to the general national interest alone in all its positions.

AL-MUJTAMA': What is the nature of the Kuwaiti economy? Is it capitalist, socialist or something else?

Uncle Bu Hamad: From the theoretical standpoint, by the standard of ownership of the means of production and control of economic activity, the Kuwaiti economy should be considered "socialist" to a large extent. The government does not just own more than 70 percent of the gross national product, it is also the biggest employer in the country and has absolute dominance over total domestic economic activity through its public spending.

At the same time, we find that the Kuwaiti economy can be characterized by many of the features of the free economic system. The constitution of Kuwait guarantees the right of private ownership in spirit and text and its laws and legislation sanctify it. Private economic activity is also open to most sectors and areas. The Kuwaiti citizen has a freedom to express his opinion, to travel, to transfer currency and to make foreign investments which is to be envied.

Therefore, the character of the Kuwaiti economy is not socialist or capitalist. Rather, it is purely Kuwaiti by character, in the sense that the Kuwaiti economic system is one which is seeking a way to define its basic premises in response to Kuwait's current and future needs and in harmony with the nature of the Kuwaiti people as an active Arab Moslem people believing in God, having confidence in itself and encouraging personal initiative committed to morality in transactions.

It would be beneficial for me to mention here that this "Kuwaiti character" of our domestic economy was genuine and had clear features in the stage

prior to oil as well: while sailors on the ships of most countries of the world received a specific wage as payment for their effort and trouble, Kuwaiti sailors on Kuwaiti ships were actual partners who had specific shares of profit, according to their ranks and jobs. Kuwaiti capital owners would finance specific forms of trade, shipments or transactions, the people they gave credit to would give these transactions as collateral, and when the shipment or transaction was cleared the "persons participating through their labor" would calculate the net profit after deduction of the costs and would distribute it in the form of a third for themselves and two thirds for the owners of the capital. If the result was a loss, the owners of the capital alone would defray that.

AL-MUJTAMA': The constitution has made social justice the basis of the domestic economy and has included in its goals economic development and increased production. Has any of this been realized? Has social justice been realized? Has the growth of the economy increased? Has Kuwaiti society been transformed into a productive society far removed in form from consumer societies?

Uncle Bu Hamad: The constitution of Kuwait, like all constitutions in democratic countries, sets out the general bases and long-range goals in whose framework the government must commit itself to function and which it must strive to achieve persistently and continuously, while not defining a period of time for this commitment or this effort. Social justice, for example, is an absolute and relative notion at the same time. It is an absolute notion in the sense that it is a goal which is difficult to realize totally, fully and definitively and it is a relative notion in the sense that its attainment is linked to many factors which differ from place to place. In addition, what might be "justice" at a specific time might not be considered such at another time. Development and increased production are two ongoing, self-renewing concepts and therefore we find that the richest and most economically advanced countries are continuing to strive to realize greater development and increased production. I am not troubled that Kuwait has realized noteworthy progress in economic development or in the creation of a sort of social justice. What has been realized might be less than what could have been attained, and it is certain that the previous steps in this regard have been fraught with many errors, but I cannot in any way say that Kuwait has not worked honestly to achieve what the constitution has stipulated and it has taken steps in this area which cannot be ignored.

AL-MUJTAMA': Some people imagine that only people who have commercial agencies and owners of contracting firms are benefiting from the national wealth, and they are a small class relative to the number of Kuwaitis, while the ordinary citizen gets no benefit from this wealth except his limited wage, from which he cannot set anything aside at the end of the month. What is your opinion on this statement?

Uncle Bu Hamad: I do not deny that such a notion exists on the part of some people, but I cannot agree with it or endorse it, because, in my opinion, it is a notion which is based on emotion more than logic and arises from an insufficient grasp of certain economic facts. In terms of principle, no economic principle guarantees all citizens an equal income. The most that

social justice can aspire to is that all citizens realize a proper standard of living which will meet the citizens' basic requirements and guarantee them equality of opportunity. In Kuwait, we find that "social justice" in this sense has been realized to a substantial degree through the provision of free medical and educational services, the guarantee of the citizen's right to work and the creation of social care and insurance, not to speak of housing vouchers and housing loans. Indeed, one can also say that the levels of salaries and wages guarantee a substantial element of support which is aimed at the attainment of a reasonable level of social justice. If the government's efforts and policies aimed at a more just distribution of national wealth have been fraught with many errors in planning or application, that does not negate the seriousness of these efforts and policies.

It is worth pointing out here that commercial agencies or the work of contracting firms are not easy activities yielding a quick profit as some people imagine. Kuwait is one of the few countries in the world which do not give the agent of some commodity a monopoly in importing and distributing that commodity -- rather, it leaves the door open to everyone to compete with him. Most commercial agencies are in reality distribution contracts and nothing more, in which the distributor bears all the risks of loss. The severe competition for these agencies has also made their contracts strict and harsh on the local agent, and only a few people are successful in carrying them out and realizing a profit from them. The same thing applies to the activities of contracting firms, for the reason that many people have gone into this field then withdrawn from it.

AL-MUJTAMA': It is said that Kuwait's connection with the capitalist economy forces Kuwait to remain a consumer society dependent on Western industry and that the farthest Kuwait can go within the international capitalist sphere is to be transformed into a society of services, that is, a country of services or a transit country like Singapore, for example. As long as Kuwait lies within this sphere, the thinking which is leery of industrialization will prevail. What is your opinion on that?

Uncle Bu Hamad: The connection between the economy of any country and the economies of the other ones, or what some people term "economic subordination," is a fact that all the countries of the world are going through as a result of the industrial revolution and the technological revolution. The "degree" of this economic subordination differs from one country to another in accordance with many factors which there is no room to describe here.

It is well known that the Kuwaiti economy's degree of subordination is very great because it is an economy which depends to a large extent on the export of a single material, oil, and is lacking in economic production ingredients for many basic requirements, especially food requirements. The connection between the Kuwaiti economy and the economies of the industrial countries appears obvious and great because these countries are the main consumers of oil.

However, these facts, in spite of their force and effect, in no way mean that we must remain a mere consumer society. Rather, they must be a strong incentive for striving to change this situation for strategic, security,

political and economic considerations. The basic means to achieve such a change are to expand the productive base, especially through industrialization which can survive, grow and compete, and accelerate steps in the direction of economic integration in the Gulf and Arab contexts.

It is worth pointing out here that the call to expand the productive base does not just mean industrialization but also means balanced development of the various sectors which can survive and develop, including the sector of services as well. Singapore, which you cited as an example in your question, is not just a country of services or a transit country. It is also a country which is building a modern industrial sector that has started to play a prominent role in our domestic economy. The Singapore experiment is one worth studying to benefit from in planning for economic development in Kuwait.

AL-MUJTAMA': The chamber's paper was produced in order to revive the Kuwaiti economy, and a year ago presented ideas and recommendations worth responding to, most important of which, in our view, was acceleration of the establishment of an independent sector for industry and the recommendation of policies for the protection and encouragement of domestic production. What obstacles prevent the adoption of these recommendations, which we believe will be met with approval from the people?

Uncle Bu Hamad: The recommendations which the chamber presented in February 1984 to remedy the economic situation in the country proceeded from the chamber's belief that the current economic "situation" is in its essence and nature not just a tentative falloff of economic activity which will require temporary or exceptional measures to overcome but that it is the offspring of international, regional and local circumstances in which an unusual "boom" is coming to an end that it is not possible, and not desirable, to restore and in which a new stage of economic development is starting which through sound planning we can turn into a stage of aware economic maturity and natural, acceptable, ongoing growth.

Consequently the recommendations which the chamber has presented have the goal of reducing as far as possible the losses and pains of the "period of transition" from the stage of abnormal boom to the stage of balanced growth, if one may use the expression. The first government committee's recommendations and suggestions which were issued in May of last year were to a large degree in harmony with those the chamber had presented, and the expanded committee on economic activity which included representatives of the various economic bodies and activities in the report it completed early last February reached conclusions which are in agreement with the recommendations of the chamber.

The fact is that the Council of Ministers expressed interest in the chamber's recommendations, since it studied them and approved most of them more than 9 months ago and issued decrees putting some of them into effect. However, the actual steps of actual execution are still very slow. I hope that this task will be given absolute priority on the agenda of the new government's activities.

AL-MUJTAMA': What is your opinion on the way the process of investing the government's general reserves is managed?

Uncle Bu Hamad: This is a question I cannot answer objectively and decisively because the strategy and policies of investing the country's general reserve and the reserve for future generations are matters which are fraught with extreme secrecy. Perhaps this is the worst characteristic by which the method of managing the government's investments can be described.

AL-MUJTAMA': Are you in favor of putting an end to financial crises in Kuwait through withdrawals from the general reserve? What is your opinion on the withdrawals made from this reserve in remedying the al-Manakh crisis?

Uncle Bu Hamad: The "general reserve," by its nature and definition, consists of total government revenues which have been taken out or saved for investment in areas where new income will be generated to make up for the declines that take place in oil revenues. It consists of savings which will help cope with the crises that the domestic economy is facing. Consequently, there is no harm in resorting to this general reserve (I am not saying the reserve of future generations) to deal with a given crisis on condition that that be done within specific limits in such a way that what has been withdrawn from the general reserve will inevitably be replaced after the crisis has been resolved, on condition that the withdrawal from the reserve be the soundest, most preferable measure for providing the money needed, that the success of the remedy for whose sake the money is being withdrawn be guaranteed in terms of an economic crisis as a whole and that it not be a haphazardly studied remedy concerning a crisis among a group of people.

AL-MUJTAMA': It is said that most Kuwaiti investment is directed toward the oil industry outside the country and that investment in the oil industry is contingent on oil's future, which is not great. What is the validity of this statement and what is your view on this approach?

Uncle Bu Hamad: Once again I find myself in a position where I cannot answer decisively and objectively because I lack correct, adequate information. What is the proportion of the money invested in the world oil industry to our total foreign investments? What revenue do these investments realize? What facts do we rely on when we say that oil's future is not great? What are the advantages of the alternative investment opportunities?

AL-MUJTAMA': Do you support parliamentary oversight over foreign investments in what is called the reserve for the generations, or do you believe that economic investment activity should be surrounded in secrecy, so that it will be able to succeed and realize its goal?

Uncle Bu Hamad: There is no argument that the legislative and oversight authority of the National Assembly is comprehensive and absolute and no limits are placed on it except those the National Assembly itself stipulates for the sake of clear national considerations within the context of the constitution. Consequently, oversight over foreign investment is the National Assembly's right and duty as well. However, conversely, one cannot deny that by its nature investment activity requires profound study in total secrecy

and speed in decisionmaking, which are two things that it is difficult to achieve under the jurisdiction of prior parliamentary oversight.

In order to reconcile these two facts, it is necessary to create a formula which will lead to parliamentary supervision without obstructing the success of investment activity in international markets. It is possible that the government bodies responsible for foreign investments will set out their general strategy and draw up the policies they will follow to achieve this strategy over the short, medium and long range, then present that to the specialized National Assembly committee for discussion and approval. It is also possible, in addition to that, for the National Assembly to conduct subsequent oversight over the decisions and steps the executive bodies in charge of foreign investments have taken in order to ascertain if they were sound and in harmony with the strategies and policies that have been set out.

AL-MUJTAMA': It is said that investment abroad might subject the national reserves to danger in the event political crises occur, as America did in the case of Iran. What is your opinion about that?

Uncle Bu Hamad: This is something no one would dispute. Expropriation or freezes are the most important noncommercial risks our foreign investments are subject to or threatened by. This of course is above and beyond well-known commercial risks such as the decline in the prices of currencies, changes in tax legislation and so forth. This danger, specifically, is one of the most important reasons behind our constant appeal for the need to strive to invest within Kuwait first of all, then in the Arab and Islamic world secondly, and the other friendly countries in the third world after that, in addition to national, religious and human motives and well known economic and social justifications. However, it is fair to say here that the responsibility of placing Arab investments in the Arab, Islamic or other countries of the third world lies not only on the shoulders of the capital exporting countries, but it is also the responsibility, not to say primary responsibility, of these capital importing countries as well, since they must set forth all the possible facilities for attracting these investments and providing a suitable investment climate far removed from administrative and non-administrative complications.

AL-MUJTAMA': What is your view of the solutions for dealing with the al-Manakh crisis? Do you believe that this crisis will come to an end soon?

Uncle Bu Hamad: What has been said and written about the al-Manakh crisis "has left no rip unpatched," as it is said. The position of the Chamber of Commerce and Industry of Kuwait in general, and my personal position on this crisis, are fully well known. Therefore, let me be brief and state that whether the crisis is approaching its end, as the officials are stating, or still is open to some repercussions, as the businessmen and various economic organizations feel, its treatment has been characterized by an aversion to decisiveness and equity and its cost has been very exorbitant as far as the government, economic organizations and domestic economy alike have been concerned.

AL-MUJTAMA': A Kuwaiti died in court as a result of being tried over an uncovered 40,000-dinar check, while others have been spared trial and harassment and have had uncovered checks for more than tens of millions. What is your comment on that, while the constitutional provision (Article Seven) says that justice, freedom and equality are the buttresses of society and cooperation and mutually merciful treatment a firm bond among citizens?

Uncle Bu Hamad: I can find no comment regarding this incident more eloquent than the statement by the greatest of prophets, on whom be God's prayers and peace: "As for your people who were before you, if a noble person in their midst committed theft, they left him alone, but if a weak person in their midst committed theft, they imposed corporal punishment on him."

AL-MUJTAMA': The Chamber of Commerce and Industry paper was produced in order to solve an economic crisis in Kuwait, so that the government could demand that priorities be given to Kuwaiti contractors in executing projects, even if that was at the expense of competitive prices. Don't you consider that it is the Kuwaiti contractors, who are few relative to the population, who are benefitting from this and that the people who are losing are the citizens who have nothing to do with the contracting sector and regarding whose national wealth the public interest is not being observed?

Uncle Bu Hamad: This statement of yours appears valid and logical at the outset. The bids for executing general construction projects in Kuwait are awarded to foreign companies only because their prices are low, and, consequently, their costs are low for the public treasury and the domestic economy; awarding these bids to local contractors at higher cost will benefit only these contractors and will be at the expense of the public interest of the citizens. However, this statement often loses its validity in the face of sound economic analysis.

Foreign companies generally offer lower prices than domestic ones because most of them receive direct or indirect subsidies from their governments, especially since their basic goal might be to obtain hard currency, provide job opportunities for their citizens, or eliminate losses from the failure to employ their agencies and personnel. Indeed, some people talk about political and non-political goals which are at odds with the country's security and safety. These companies also deliberately buy all their requirements in the form of equipment, machinery and materials, and even food for their workers, from their countries' markets directly to the jobsite, content themselves with lodging their workers and employees in ready-made homes at the site itself, and pay them wages and salaries which are lower than the acceptable level for their counterparts living in the country. On top of that, they do not apply the Kuwaiti labor law to their workers in terms of overtime, weekly holidays and end-of-service compensation.

For all these reasons, we find that the domestic economy benefits only to a very minor extent from the public funds that are spent on construction projects. If these projects were carried out by national companies, benefit would be derived from this public spending in a much better manner through its multiplier effect on the domestic economy, since its effects would involve the country's inhabitants, its domestic industry, its commercial institutions, the construction sector and wages in that sector.

This simple analysis proves that the government has lost many times what it has saved in awarding projects to foreign contractors through the lowered effect of its public spending on economic activity, and proves that competition between domestic contractors and their foreign counterparts is unequal. This calls for government intervention to restore balance between the two parties by granting priority to domestic contractors and requiring the use of domestic products whenever that is possible, so that public spending on government construction projects will be able to play its role in full in increasing economic activity and stimulating the domestic market.

AL-MUJTAMA': Why doesn't the paper recommend solutions by which it will guarantee that wealth is distributed among the greatest number of Kuwaitis, for instance recommending that the government give its contracts only to domestic companies whose organization is 50 percent occupied by Kuwaitis and that they be registered with social insurance and provide the citizens numerous guarantees such as those that exist in the laws on government or civil service institutions?

Uncle Bu Hamad: There is a big difference between what we hope will be realized and what we can actually realize in a limited period of time through nothing but the resources available. This question in my opinion represents a sort of sincere, legitimate hope and aspiration which we must work properly and constantly to realize. If the chamber in its recommendations suggests that the execution of public projects be given only to domestic contracting firms where Kuwaitis constitute no less than 50 percent of the organization of people working in it, or that priority or protection be given only to industrial projects in which the proportion of Kuwaitis comes to 40 or 60 percent of the total number of workers, this will be in effect a request to back these recommendations up with a suspension in construction. Therefore the qualified domestic manpower to reach these levels does not exist today.

In any event, the chamber's memorandum has not ignored this issue. Indeed, it has addressed it in more than one area and place:

1. When the chamber requested that Kuwaiti contractors be given priority, it stipulated that these contractors not be mere middlemen subcontracting to others, but rather that they be serious citizens working on their own and able through their companies and organizations to carry out the project.
2. When the chamber requested that domestic industry be given priority in bids and protection of production, it stipulated that producers who do not have permits not be allowed to enter into the government bids and that the producers participating in the bids who do have permits have the real domestic productive resources to supply the desired goods.
3. The chamber in its memorandum also requested that a detailed executive program be set out aimed at attracting Kuwaiti labor into industry by subsidizing its wages and increasing the training opportunities available to it, and other suitable, carefully studied means and methods.
4. In the field of commerce, the chamber has called for a review of the conditions and bases on whose foundation the commercial permits are granted,

in order to guarantee that the Kuwaiti citizens applying for permits are truly serious in their application, able to engage in activity and supervise it themselves, and have no intention of renting out the permit or selling it for a specific annual sum.

5. The chamber also called on the government to determine and declare its basic premises and general policy relative to the main economic issues, especially industry, labor and population, within a comprehensive future conception of its tentative and long-range goals.

In conclusion, we thank Uncle Bu Hanad for the thorough answers he was so gracious as to provide involving economic and political subjects and giving the children the gist of the fathers' experience so that they might perhaps benefit from them. We ask God to endow him with a lengthy life and abundant health.

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KUWAIT

DISSIDENT JOURNAL CONDEMNS GOVERNMENT REAL ESTATE TRANSACTION

Government, Commercial Collusion Alleged

Kuwait AL-TALI'AH in Arabic 20 Mar 85 p 2

[Text] It is said that the Ministry of Finance has completed, or will soon be on the verge of completing, a transaction with the Kuwait Real Estate Company, in which Mr Khalid al-Marzuq holds the bulk of the stock and whose board of directors he chairs. The al-Durar complex building, which is situated in the al-Raq'i area, will be purchased in this transaction, and the value of the transaction will total 12 million dinars.

The al-Durar complex is the building constructed by the abovementioned company, which committed serious violations that were not confined just to the abuse of the construction statutes in effect in the municipality departments, as embodied in major excesses in the construction space for which permission was granted, but went beyond that to the abuse of the conditions of sale on which contract was made with the Ministry of Finance itself, which were recorded in the legal deed of ownership. The lands in the al-Raq'i residential area are government subdivision lands which the government had sold to investors in the late seventies with the purpose of building residential apartments on them to provide housing, solve the housing shortage which the country was suffering from, confront the high demand for residential apartments at that time and reduce the high price of rents.

The deeds of ownership stipulated that these lands would be used for housing construction only. However, the Kuwait Real Estate Company and its board chairman threw all the laws and statutes in effect and the provisions of the ownership deed to the winds and the residential subdivisions were turned into a commercial complex to be used as offices. The municipality suspended the grant of permits to supply electricity to the building and ultimately allowed it for a period of 2 years. However, the former Council of Ministers had issued a decree disregarding all the abuses of statutes and laws and giving permission to the abovementioned company for all the violations. The Ministry of Electricity ordered that electricity be connected to the building. The government did not stop there, in its disdain and its tolerant attitude toward people with influence, but rather, in its diligent commission of mistakes, went beyond that to more grievous matters.

The Government Property Department of the Ministry of Finance decided to lease the building for headquarters for the Ministry of Electricity and Water.

What is new now, as is said, is that preparations are urgently being made for a transaction or a transaction has actually been made to pay off all the violations in order to cover all the company's violations and those of the former Council of Ministers and the ministers involved, so that the file on the building will not be opened in the new council!

This sort of conduct, which is contrary to the public interest, if the transaction has actually taken place, paves the way for interpretations whose gist is that the transaction amounts to a reward for the role Mr Khalid al-Marzuq played in the National Assembly elections last month.

Government, Magazine Trade Charges

Kuwait AL-TALI'AH in Arabic 10 Apr 85 pp 2, 20, 21

[Text] The following response was received from the Kuwait Real Estate Company to the item AL-TALI'AH published under the title "Is It True?" on 20 March 1985. We are publishing it verbatim in carrying out the provisions of the Printed Material and Publication Law.

The Kuwait Real Estate Company (a Kuwaiti corporation) would like to state to public opinion that the article published in your magazine AL-TALI'AH in its 20 March 1985 issue under the title "Is It True?" is full of gross errors and devoid of truth.

To put things in their proper place as far as the reader and citizen are concerned, we assert the following:

First, the al-Durar complex is not the only building the government or government ministries rent out in areas allocated to investment housing or model areas.

Second, the leasing out of the building to the Ministry of Electricity, as represented by the Government Property Department (a Ministry of Finance department), was done in accordance with the desire of the Ministry of Electricity and Water, after it had considered that that was the only building which was appropriate and answered the ministry's needs.

Third, before signing the rental contract with the Ministry of Finance, the company imposed the condition on the Ministry of Electricity and Water that it should receive the necessary agreements and permits from the entities concerned to use the building as offices for the Ministry of Electricity and Water. That was actually done before the rental contract was concluded with the Ministry of Finance, and the company played no part in obtaining these agreements and permits. Therefore it was the same government authority that had reached contract with our company to sell the land (the Ministry of Finance) which later obtained agreements and permits in order to enable another ministry, the Ministry of Electricity and Water, to satisfy its

requirements for the building. This absolutely disproves that our company violated the conditions of using the building for investment housing.

Fourth, in addition to everything we have mentioned, the company has made an undertaking with the municipality to return the building once again to the purpose for which it was previously granted a permit by using it as investment housing when the Ministry of Electricity and Water has finished leasing the building.

Fifth, we, the company owning the building, were not informed that there were any negotiations with the Ministry of Finance over the building we own, except by the medium of the article published in the magazine which is the subject of this reply. It is clear that the writer of the article made these negotiations up and determined that they had taken place. In our capacity as the owner company, we would like to stress that no negotiations have taken place with the Ministry of Finance over the building.

Sixth, as regards the statement in the article to the effect that Mr Khalid Yusuf al-Marzuq owns the bulk of the company's stocks, that statement is far from accurate. There are dozens of individuals and companies in addition to the Ministry of Finance which own shares in the company that are in excess of Mr Khalid Yusuf al-Marzuq's share.

Seventh, regarding any violations which might have taken place during the construction of the building, these have been remedied and settled with the municipality in accordance with the statutes in effect. In this regard we should not miss the opportunity to refresh your memory by stating that there have been dozens of cases in which buildings were not constructed with literal adherence to the original permits and real estate use applications. In areas set aside for model and private housing, leases have been given to bachelors, authorities, companies and the Ministry of Finance as represented by the Government Property Department, and hotels have been converted into offices to be exploited at the high rates stipulated for hotels. Where does your magazine stand on this and on addressing these sorts of violations, which harm the citizen in the first place, you people who claim to be concerned with the public interest?

[Signed] The Deputy Director

Badr Jasim al-Samit

AL-TALI'AH's Reply

The reader who has read the Kuwait Real Estate Company's reply to AL-TALI'AH's statement wondering about the truth of the dubious transaction which is on the verge of being made to sell the Kuwait Real Estate complex in the al-Raq'i area, known as the al-Durar complex, which AL-TALI'AH has called the complex of violations -- we say that the reader must be amazed at the great amount of gross errors and concealment of fact with which the letter was characterized in general. The first of these gross errors was to equate the major violations which the Kuwait Real Estate Company has assiduously committed since it was established, challenging all the laws and statutes

and rights of the government, with minor violations, such as leasing out additions and some residential buildings to bachelors in some regions, which can still be corrected by a simple decree of the municipality, or to equate the Kuwait Real Estate [Company] with the government of Kuwait and its right to rent out residential buildings for use as offices (if that is considered an excessive act or violation).

The gross error which must be exposed is that the buildings the Government Property [Department] leased out are not in violation. Their owners committed themselves to the conditions under which they were granted permits by the municipality and obeyed and respected the statutes and laws -- above and beyond that, the Government Property Department used them for other purposes when it rented out their buildings.

In order for the public to be fully informed, we must specify and reveal the magnitude of the violations and wholesale neglect of the laws and statutes which Kuwait Real Estate committed in the Durar complex of violations.

The story, from the beginning, is as follows. In the mid-seventies, when the housing shortage was exacerbated and a rise in rents occurred, the government of Kuwait subdivided the al-Raq'i area into investment housing subdivisions (residential apartments) and offered them at open auction under specific conditions, most important of which was that the subdivisions should be used as investment housing subdivisions only and that construction should take place within a period of no more than 3 years. All the citizens who had invested their money in the purchase and construction of these subdivisions committed themselves to the conditions which were stipulated in writing in the legitimate deed documents bearing on the uses of the building, with the exception of the Kuwait Real Estate Company.

Citizens who visit the area have been surprised to see that the massive buildings which constitute what is known as the al-Durar complex were not built like other buildings in the area. The residential apartments which the floors of the building are supposed to contain have been replaced by open floors which are used as offices subsequently partitioned in accordance with the tenants' desires.

People have commented that this was insane. It is not a question of exceeding the construction ratio by 10 meters per floor or adding an annex which is in violation to a citizen's home so that he can profit from renting it out. It is a question of turning a building which is considered to be one of the largest in Kuwait from an investment building with a specific purpose, which is stipulated in the legitimate deed document, into a commercial building and committing the violation defiantly and flagrantly in broad daylight in front of everyone, with contempt for everyone. People absolutely did not believe that serious and major violations of this magnitude could get past the municipality of Kuwait and its mayor 'Abd-al-'Aziz al-'Adasani. Indeed, the grant of the permit for electricity for the building was suspended by the municipality of Kuwait and the status of the building remained pending for more than 2 years. Various forms of pressure were exerted on the municipality (which was one of the reasons for the press campaign against al-'Adasani) and the municipality resisted until the surprise occurred and the building acquired electricity. How did that happen?

Kuwait Real Estate's reply explains to us that the company, that is, Real Estate, had "imposed the condition" on the Ministry of Electricity that it obtain the necessary agreements and permits from the entities concerned for it to be used as offices before concluding the rental contract. Consequently, the same government authority which reached contract to sell the land (the Ministry of Finance) is the one which sought the agreements and permits later in order to enable another ministry to meet its need for the building.

Perhaps this part of the Real Estate [Company]'s reply will not just confirm what AL-TALI'AH wrote last week on the "complex of violations" but also will give us further data to confirm what we said.

The proper reading of the third section of the Kuwait Real Estate Company's reply was that the company did not "stipulate" but "fought" to have the Ministry of Finance (not Electricity) cover its violations, which the municipal council and the mayor were lying in wait to seize on. It was necessary in order for the coverage to take place and the violation to be permitted that the municipal council decree be overruled by a higher decree from the Council of Ministers, and this is what happened.

It does not exculpate the Kuwait Real Estate Company from the violation which it committed (before God and his creatures) that it was the Ministry of Finance which sought the issuance of the necessary permits by the Council of Ministers to give permission for the building in violation, connect electricity to it, and use it subsequently; rather, that inculcates the Ministry of Finance, which colluded and participated with the company and indeed gave it a reward for trespassing against the laws and throwing the statutes to the winds.

We do not know whether there are other examples of violations committed by the Ministry of Finance in making all these efforts in order to make a citizen or other company benefit. There is no objection to having the Kuwait Real Estate Company, which is an expert in violations, supply us with similar examples.

On top of that, the government and the citizens then proceed to pay the price of the violation as a reward for the persons committing the violations, who have special influence in special departments! What about the sale of the complex of violations?

The Kuwait Real Estate Company says that it did not know of the existence of any negotiations with the Ministry of Finance on the building. This unawareness or ignorance is revealed by Khalid Yusuf al-Marzuq's "article" in the newspaper AL-ANBA', which stresses that there were negotiations between the Social Insurance and Palace Affairs Organizations concerning the purchase of the building.

We are certain of the existence of these negotiations. For the company's information, Social Insurance, at least, is directly subordinate to the Ministry of Finance. We would like to stress a number of observations:

First, the purchase of the building by the Departments of Palace Affairs and Insurance, which are subordinate to the Ministry of Finance, is to be considered a form of coverup and collusion which the current Ministry of Finance is carrying out in regard to the Council of Ministers decree whose issuance was sought by the Ministry of Finance and is also to be considered a cover-up, collusion and the grant of rewards for major violations which the company has committed.

Second, the price being negotiated is founded on the current rental of the building in violation as offices, a lease the company is "fighting" to get rid of and from whose violation it will benefit, to the maximum extent, before the Ministry of Electricity abandons the building. The company knows that there is no organization, private company or individual in Kuwait who wants to or is thinking of buying a building which has all these problems and that the only hope or opportunity facing it is to sell it to the Social Insurance and Palace Affairs Organizations, since they are the two organizations which inspire sympathy and affection and the only ones which people can forgive, if their excesses lead to benefits for orphans and people on retirement.

In our opinion, the payment of large sums of money belonging to the government, the citizens and small people at prices which consider the violations as benefits which merit rewards, not misdemeanors (to say the least) which merit punishment, means stealing the money of citizens and the government, distorting the goals of its investment and directing it to bad purposes of which the citizens are innocent.

We do not believe that the negotiations will continue in the knowledge and sight of the minister of finance, as if there was nothing in the country except this complex of violations, unless it is the smelly elections and the people who sought to manifest themselves as the cronies of the new minister in the course of the elections that have started to influence decisions, as is the aspiration of those who have taken trampling the laws underfoot as the opiate with which they are intoxicated, in addition to sating their unlimited greed.

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LEBANON

ECONOMY REPORTEDLY TOTTERS ON EDGE OF DISASTER

Beirut AL-IQTISAD WA AL-'AMAL Special Issue in Arabic Jan 85 pp 13-20

[Article by Husayn Fawwaz: "A Juncture, or the Beginning of the Disaster?"]

[Text] Some 2 months from now [April], a complete decade will have passed since the outbreak of the Lebanese war, or the Lebanese events. With the passing of 10 years of killing, internecine warfare, economic exhaustion and social retreat, a major and pressing question mark arises in the mind: where is the Lebanese economy heading? Other secondary questions arise together with this major question: have we entered the phase of collapse? To what low level have we gone down the scale of adversity? What endurance and fortitude remains? Does anything remain from the reserve of the 7 prosperous years?

These questions have been raised by AL-IQTISAD WA AL-'AMAL, which has undertaken efforts to answer them in an attempt to shed light on the verge of the abyss, which Lebanon has reached, and to draw attention to the important, and possibly the last, turning point in the welter of the crisis.

Dangerous Phase

At the end of the 10th year of the events, it seems that the Lebanese economy has entered the phase of real danger. It is true that there are various degrees of danger and that a state of collapse occurs at different levels. It is also true that danger appeared to a certain degree at the end of one year and at the beginning of another. However, the present and apparent danger has assumed new dimensions, and it is of a different magnitude. For the first time, concern for Lebanon's fate becomes a disturbing one. Also for the first time, the words poverty and starvation are being reiterated. For the first time too, the high cost of living becomes a beast baring its fangs and swallowing up incomes and savings. It is also for the first time that inflation, which erodes the value of currency, becomes a daily apprehension of which all the citizens speak. For the first time job hunting becomes a difficult matter, that is, if we do not say, an impossible one. The idea of immigration has become the sole remaining solution, but it is hindered by obstacles, borders and closed doors.

From this premise, the given facts indicate that the economy has now entered the critical phase--and there is a consensus among all parties, and at all levels, on this fact. Some people believe that what has been going on for over a year is the other facet of the war and that it is the inevitable price of all wars. Other people believe that we have begun paying all the payments that we had been deferring for 9 years. No matter how much the picture differs, so far as words are concerned, the concept is the same. No two persons would differ over the truth. What is the outcome of the 10 years? What are the main aspects of the Lebanese economy at the beginning of 1985?

Three Phases

The existing economic situation is a result of the bloodletting which has been increasing over the past 9 years. As the years passed, burdens were being shouldered, harm was being done and losses were being incurred. These burdens and losses have been aggravated until they have reached the present level. From the political and security perspective, it is possible to divide the 10 years into three phases, with each phase having its characteristics and its negative features.

1. The first phase extends from 1975 to the end of 1976. It is what has come to be called the 2-year war on the grounds that, at the beginning of 1977, most of the Lebanese people thought that the crisis had ended and that it was nothing more than a passing summer cloud.

During the first 2 years of the crisis, great damage was done, installations were burned and the commercial sector was destroyed. However, incidents remained practically confined to Beirut and the suburbs, and were extended only rarely to the other areas. Although statistics for these 2 years, and particularly for 1976, are almost nonexistent, the Lebanese economy withstood this period and it would have been possible to surmount it within 1 year of stability. The events of the aforesaid 2 years did not affect the economic dynamism and they did not harm the economic infrastructure. Furthermore, the economy sustained a limited loss in comparison to the large credit that the Lebanese economy held in store, thanks to the economic boom whose winds had blown on Lebanon since the beginnings of the seventies.

2. The second phase extends from 1977 to mid-1982, that is, up to the Israeli devastation which occurred in June.

This phase is the longest (5.5 years) and the most varied, because it teemed with setbacks as well as with periods of stability and calm. While 1977 was a year that provided a breathing space and marked a resurgence in the wake of the 2-year rigidity, setbacks began occurring successively since February 1978, occurring at one time in al-Ashrafiyah and at another time in the suburb and occurring at one time in Zahlah and at another time in Tripoli. However, all these setbacks, despite all the direct losses which had resulted from them, did not impact on economic prosperity in general and did not eliminate confidence in the future. Therefore, wagers on the future

continued, investments continued to be made in several fields and money continued to flow from abroad for various purposes.

It is true that this phase created various economic and social problems. However, it is all the more correct to say that these problems did not preclude the continuing, even though relative, growth of some sectors.

3. The third phase is the one which extends from the Israeli invasion up to this time--and it is the most dangerous phase. Even worse, it is the phase which led the homeland and its economy into a new stage and steered the economy on the path of an actual regression. In this phase, in one of whose episodes we now live, economic exhaustion and collapse have increased, despair has been aggravated, investments have ceased, resources have dried up and Lebanon has begun tearing at the carrion of its own body.

Also in this phase, the main nails have been driven into the coffin of the economy--nails driven deeply by the Israeli occupation and by its consequences.

Regardless of the nature of the problems of each phase, the ultimate result of the 10 years, as shown by the basic indicators, clarifies the development which occurred and the main stations of regression.

Industry

The industrial sector suffered most from the events. The battles, which shifted from one area to another, inflicted great harm on a number of establishments and destroyed complete areas, such as al-Shuwayfat, al-Na'imah and Harat al-Na'imah.

In fact, Lebanese industry has witnessed constant growth--from the mid-sixties to the beginning of the events. This industry possessed the factors of vertical growth--so far as high-quality products were concerned--and of horizontal growth--so far as various products, most of which were exported to the Arab markets, were concerned. At the beginning of the seventies, encouraging signs appeared that exports were entering the European and North American markets.

In 1974, capital invested in the industrial sector totaled about 2.25 billion pounds, produced over 1 billion pounds and accommodated approximately 150,000 workers. With the increasing harm, rising costs, increased smuggling and shrinking Arab markets, production began losing ground and, consequently, industrial exports began losing ground as well until, at the end of the 10 years, it reached some 952 million pounds at current prices. A comparison with fixed prices is enough for one to realize that, in 1984, exports at 1983 fixed prices amounted to some \$195 million, that is, less than what Lebanon pays for the foreign manpower present in its country.

Along with the decreasing exports and production, the importation of machinery fell because of the decreasing numbers of new projects and business expansions, and owing to spreading unemployment among agricultural workers, particularly in the textile, furniture and shoemaking sectors, which were affected more than other sectors were by smuggling.

Thus, it has been observed that in 1984, industrial exports at current prices amounted to the value of the 1974 exports. If we bear in mind that the dollar exchange rate rose from 243 piasters in 1974 to 889 piasters in 1984, this signifies that the value of the pound fell at an 80 percent rate. This drop means that 10 years later, the actual value of exports equalled 20 percent of their 1974 value. In addition, industry lost the 20 percent annual growth rate which it was expected to achieve, had it not been for the events.

Agriculture

Exactly as in industry, great harm was also sustained in the agricultural sector as a result of the battles, in which groves served as battlefields. Furthermore, the security factor and the impossibility of free movement among the various areas resulted in many groves and fields being neglected or abandoned by their owners.

It is enough to point to what had occurred in al-Damur plain and on the plains in the south following the Israeli devastation, let alone on al-Biqa' plain, which turned into a contact line between the Israeli and the Syrian forces.

Harm has befallen the various sectors. In 1974, fruit exports totaled some 338,000 tons, but fell in 1977 to 309,000 tons and in 1982 to about 250,000 tons. At this time, these exports do not exceed 200,000 tons.

Furthermore, animal production, which had been an exporting sector up to 1974, suffered great harm. The number of farms decreased, and most of these farms went bankrupt. This sector now lives in a troubled and unstable atmosphere insofar as production and exports are concerned, as a result of the state of security and of the difficulties facing exports to the Arab markets.

In the absence of accurate statistics, it is possible to say that in the past 10 years, the agricultural sector fell back by a rate of no less than 50 or 60 percent.

Tourism

When it comes to the tourist sector, it has been afflicted with nonexistence because the events which prevailed throughout the past period no longer permit the existence of any tourism at all. The foreigners who have visited Lebanon in the past years were either businessmen, who came for limited tasks, or

newsmen. Tourism turned into a domestic activity and tourist establishments turned into havens for the Lebanese escaping from insecure areas.

In the absence of tourism, Lebanon lost some of its basic revenues which contributed tangibly to the achievement of a balance of payments surplus. In 1974, tourist revenues reached about 1 billion pounds, only to fall to 200 million pounds in 1977. These revenues are almost unmentionable at this time. Therefore, tourism, with all its utilities, has fallen back at a 100 percent rate and has lost its role as a sector attracting foreign exchange.

Local Production

The shortfall that has befallen the production sectors, such as industry, agriculture, tourism and services, reflects the great drop that has hit the local production that existed during the past 10 years. Since 1975, Lebanon has been living as the captive of an atmosphere inappropiate for economic growth and for investments. Most of the investments which were made from time to time were either squandered or were eroded by inflation and limited production. In addition, the investments that were made in no way represented the value of what had been demolished, burned or looted.

"Thus, the war declared on Lebanon has absorbed more than 13 years of economic evolution. Therefore, the past losses incurred in the domain of local production--between what was expected and what has actually occurred on the basis of a moderate annual growth average (5 percent)--have reached approximately 49.5 billion pounds at 1974 prices."

Balance of Payments

While local production was regressing continuously, general national production was also going back, particularly during the past 3 years. The regression of local product offset the external flow of funds originating from Lebanese working abroad and from the flow of funds that continued to be sent to the combatant forces until 1982. However, this state of affairs has changed due to local and external reasons. The continuing flow for the balance of payments turned into a deficit for the first time in 1983.

This deficit amounted to some \$750 million and, at the end of 1984, rose to approximately \$1.5 billion. Therefore, we see in the balance of payments and the large deficit that it has registered a mirror that reveals the deterioration that has been going on since 10 years. The funds that enter Lebanon have become less than those that leave it. The reasons for the balance of payments deficit have become obvious and well known, and it is imperative to put on record again the most important of these reasons within this context, to wit:

1. The decreasing remittances sent by the Lebanese working abroad--remittances that were estimated at some \$130 million a month. These remittances have now fallen at an average of two-thirds because of local considerations and of other

considerations connected with the economy of the countries in which the Lebanese work, and specifically the Gulf countries.

2. The halt in the resources of the "political dollar" which had been funding the war, in addition to the halt of the dollars that were arriving for the Palestinian organizations. This revenue has stopped almost totally since the end of 1982.

3. In 1983, the state implemented a plan for the arming of the army, which drained the state treasury of large sums of foreign currencies to the extent that after the mountain war, it was said that the war was being funded externally, while after 1982, it began being funded locally.

4. The shortfall of industrial exports by a large proportion, particularly since the Israeli devastation.

Debts Growing, Reserves Endangered

5. The nonexistence of revenues from tourism and from the education and medical services, which had been playing a role in feeding the balance of payments. The situation was even reversed. The escape of many Lebanese abroad, the settlement of their families and the accompanying expenditures made abroad in the areas of tourism, education, medical services and convalescence began being a factor of pressure on, and the exhaustion of, the balance of payments, after this factor had earlier been a basic tributary of the balance of payments.

6. The increasing remittances sent abroad and drawn from foreign currency deposits, which constitute pressure put on the balance of payments. These remittances are drawn to finance the Lebanese operations which have begun emerging abroad or to purchase houses for fear that the situation in Lebanon should take a turn for the worse, let alone to secure funds to meet expenses on residence, education and so on.

Internal Deficit

If the balance of payments deficit sums up the result of the external deficit at the end of the aforementioned 10 years, then the deficit which has befallen the treasury also epitomizes the accumulated internal deficit.

Since 1980 up to this time, the state debt to the Bank of Lebanon set a record high, that is, this debt rose from 1,954 million pounds in 1980 to 11,365 million pounds at the end of 1984, or at a 481 percent rate.

In another development, the state debt to the local market rose from about 2,476 million pounds, in 1980 to approximately 19 billion pounds at the end of 1984, that is, at a rate of over 600 percent.

Therefore, it becomes clear that the public debt, which was almost nil in 1974, is now in the vicinity of 30 billion pounds.

The public debt is now equal to the national revenue and is threefold the general budget, and it is now the pressing issue. Furthermore, it is a result of the continuing shortfall of the general revenue derived from customs duties (because of the unlawful harbors) and from direct and indirect taxes. This issue is also a result of the rising expenditures due to increasing burdens on the one hand, and to the growing exhaustion of the public administration on the other.

Price of the Pound

All this economic deterioration occurring in the various sectors has ultimately been reflected in the form of a serious deterioration in the price of exchange of the pound, which price has now become the main preoccupation of the officials who are looking vainly for a remedy for this rise. The deterioration of the exchange price is connected with the whole economic deterioration, and there is no way the pound can be strengthened under the present circumstances.

To illustrate the extent of deterioration, we note that the dollar was worth 243 piasters in 1975 and, at the end of 1984, it was worth 889 piasters. In other words, within 10 years, the dollar rose continuously by 646 piasters at the rate of 265.9 percent. Therefore, within 10 years, the exchange rate of the pound has dropped by 72.6 percent. In other words, the pound's actual value now equals 25 piasters of its worth in 1974. There can be nothing more eloquent than this deterioration in the exchange rate of the pound in reflecting the low level to which the Lebanese economy has dropped.

Four Remarks

Through this concise but intensive review of the most prominent indicators of the deterioration which has occurred throughout a whole decade, it is imperative to register four basic remarks tending to throw light on this phase and on the results of the regrettable incidents.

First: Israeli Devastation

There can be no doubt that the Israeli devastation was a serious and fundamental turning point in the economic arena throughout 10 years. Despite the destruction and ruination that had befallen the economy prior to the Israeli devastation, the Lebanese economy continued registering tangible growth averages in a number of sectors, whether in the areas of export, bank deposits or the balance of payments. However, the devastation was a turning point and the direct cause of a serious economic deterioration. The devastation brought about the following consequences?

1. The Israeli invasion, for the first time, severed the homeland's links and isolated areas from each other, in addition to the rifts which it created among the sons of the same homeland.

2. The devastation destroyed the agricultural and industrial structures in a totally unprecedented manner.
3. The devastation created the crack, and the problems, between Lebanese exports and their Arab markets.
4. The devastation constituted a turning point in the war, which was earlier financed from abroad and later turned into a war funded from within the country.

Second: Internal and External Deficits

The serious deterioration which was aggravated during the past 2 years has been represented in the coincidence of the internal and external deficits for the first time. The internal deficit (the treasury deficit) went in step with the external deficit (the balance of payments)--something which completely reversed the picture, particularly in connection with the price of exchange of the pound.

This coincidence did not result solely from the Israeli devastation. This devastation has deeply shaken confidence and alienated capital, funding and investment. However, it has been coupled with external circumstances which, in turn, contributed to the growth of the two deficits.

The economic circumstances which have prevailed in the Arab oil-producing countries and the accompanying economic stagnation and austerity in the domain of public spending reflected on Lebanon in 1984, and they are expected to reflect even more during this year. Under these circumstances, the remittances, which had earlier been sustaining Lebanon, have diminished. These circumstances have led to the return to Lebanon of a part of Lebanese manpower, which has enlarged the size of unemployment.

Instead of Lebanon being able--through these remittances--to offset the shortfall which has occurred in local production, Lebanon has lost these remittances at a minimum 60 percent rate and has been compelled to receive its returning sons, at a time when Lebanon is unable to provide these sons with employment opportunities.

Third: Erosion of the Public Sector

The almost deadlocked problem resides in the collapse and exhaustion occurring in the public administrations, or at least in most of them. This collapse exists at various levels. The public sector is on the verge of being turned into a burden for the economy. It exhausts the larger part of the budget without undertaking any production worth mentioning. The public administration had been of limited production capability since before the events in view of the existing routine, the complications of work channels, the lack of efficiency and the development of favoritism and bribery. The events came to add to these diseases and blemishes and to augment instances of bribery. Even excelling employees found themselves compelled to leave the public sector.

The public sector's problem comes about under these circumstances, at a time when the need arises for the state and for its intervention in several affairs, whether in the areas of construction or of development. The need for the public sector will become greater on the day the construction workshop begin functioning. At this time, no prospects of real administrative reform loom on the horizon.

Fourth: Possible Measures

In light of the magnitude of the economic problem, in light of its causes and given facts and in light of the collapse which has occurred in the public sector, it seems that that scope narrows daily before the measures that are taken from time to time to remedy a specific problem. This state of affairs almost induces one to say that any measure taken in the monetay, financial or administrative domains, be it for combating the high cost of living or for rationalizing the expenditure, would stand no chance of success under the shadow of the general state of affairs which has led the administration into losing all efficiency and capability and which has detracted from the supremacy of the law.

Whereto?

This is the result of the 10 years of murder and killing, immigration and eviction and bleeding and bloodletting from which Lebanon is suffering.

Remittances Decreasing, Bleeding Increasing

This is the fruit which we have reaped, and which they have reaped: a deteriorated economy and falling markets as well as a regressive industry, a nonexistent tourism, a limited agriculture, an empty treasury and a pound which falls daily.

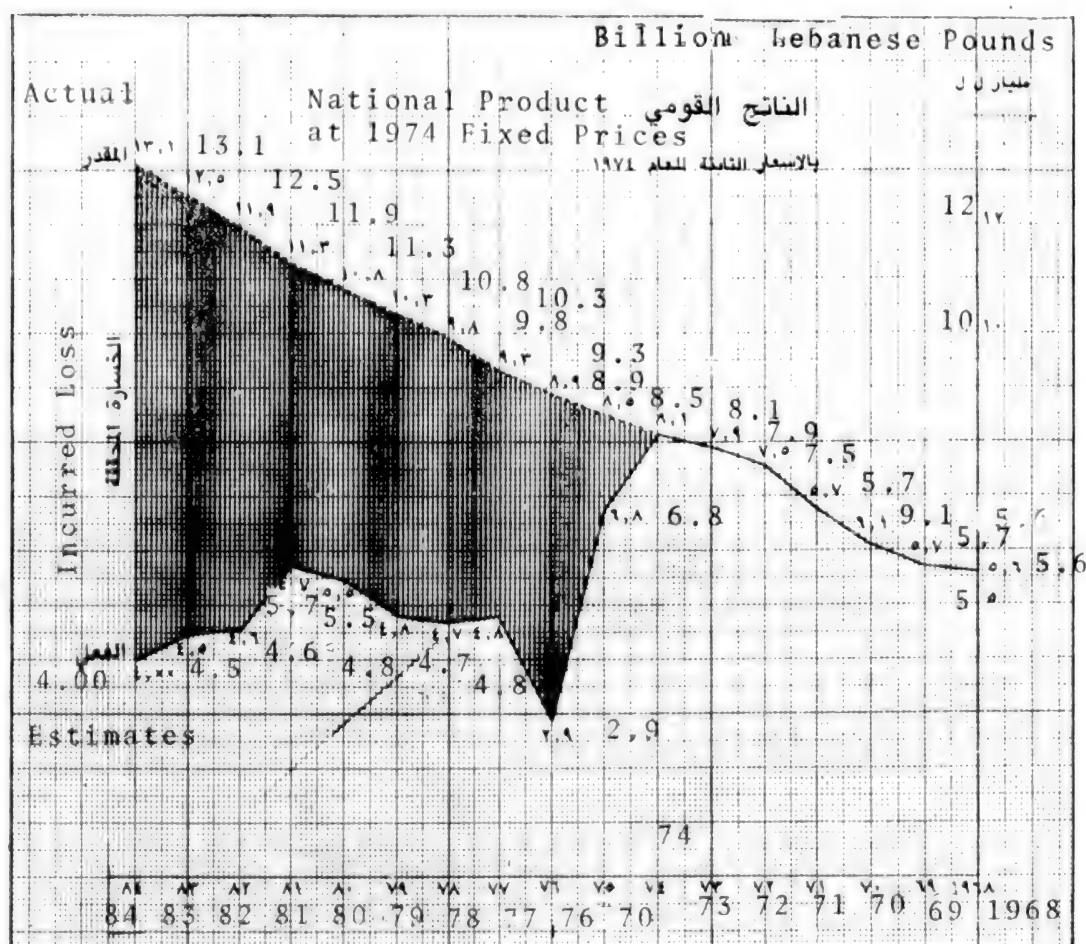
Have we begun the phase of collapse, and how does collapse come about?

Undoubtedly, we have been in the phase of collapse since we had begun entering it on the first day of the events--and a state of collapse comes about gradually. Whenever we go down to a low level, we perceive an even lower level. It is not important to specify the low level in which we now find ourselves. However, it is important for us to be able to stop where we now are, so that we will resume our march toward resuscitation.

Therefore, we see that we will continue walking in the dark tunnel so long as a political solution has not been achieved and so long as complete and comprehensive security has not been established. If these things are achieved, this will not signify an end to the problems. However, numerous problems will come about. But they will be acceptable problems because they will be ones of emerging from rigidity to revival and from regression to growth. There is no room for discussing these problems within this context, because their objective circumstances do not yet exist.

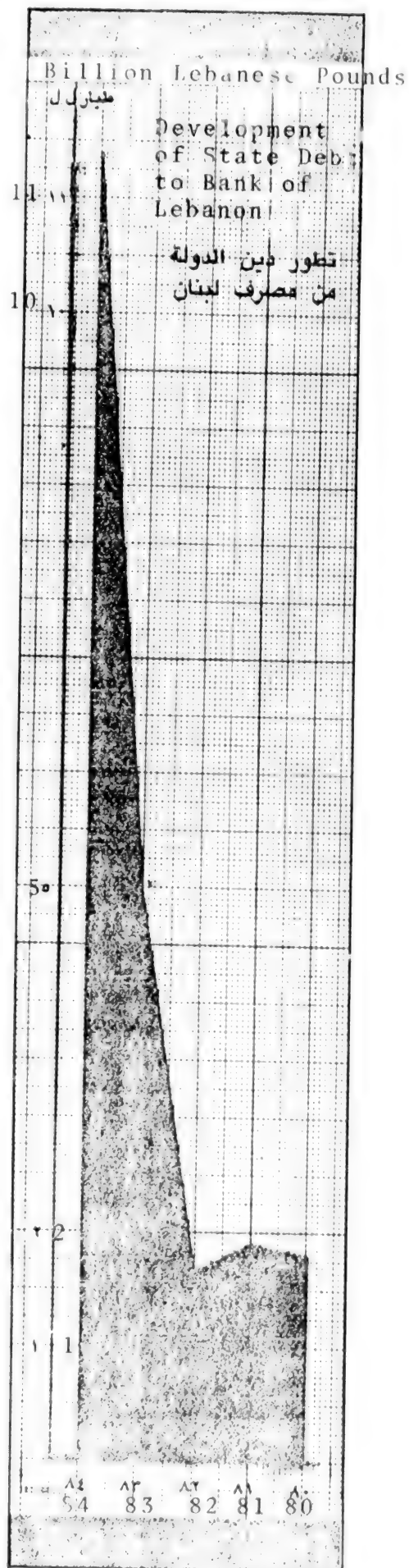
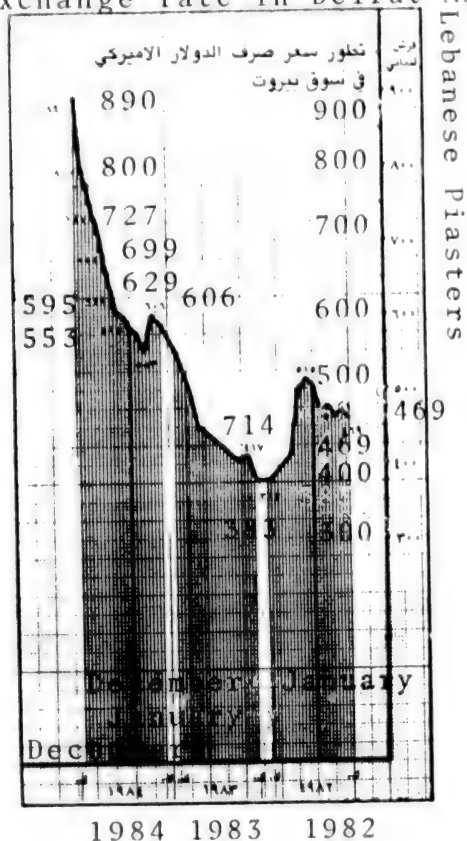
In the absence of political relaxation, we are proceeding toward a state of collapse, which has many features and whose most important features are:

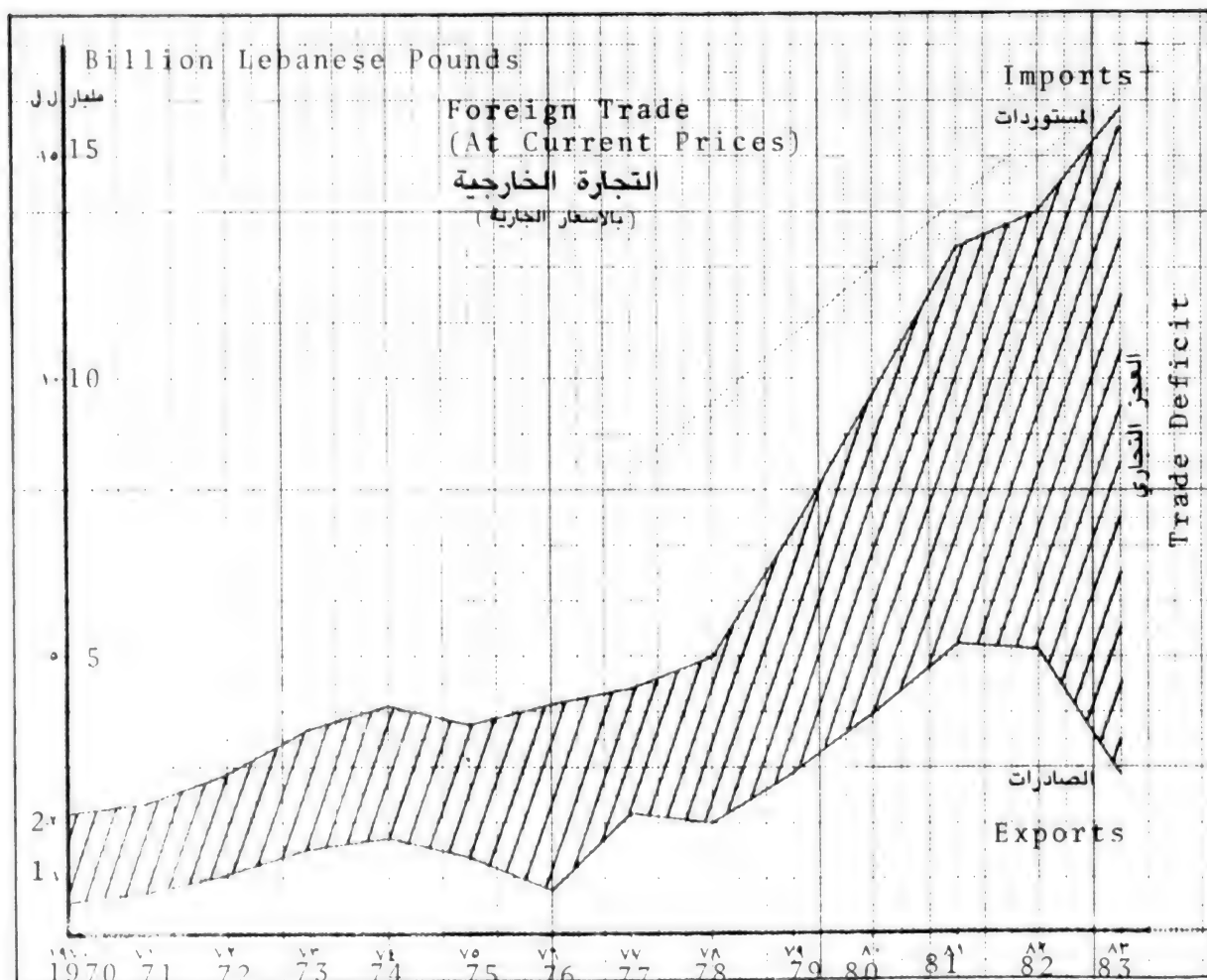
A budget deficit which has accumulated and risen to higher level than the cash reserve, the depletion of the foreign currency reserves of the Bank of Lebanon, the impossibility of receiving aid, diminished production and growing unemployment, continued internal bleeding brought about by killing, bombing and eviction. In brief, these are the landmarks of the collapse. Where is this collapse leading us: to starvation, which also comes about gradually, or to immorality, or to both? The vessel of the economy is about to become empty. Shall we wait until it dries up completely?

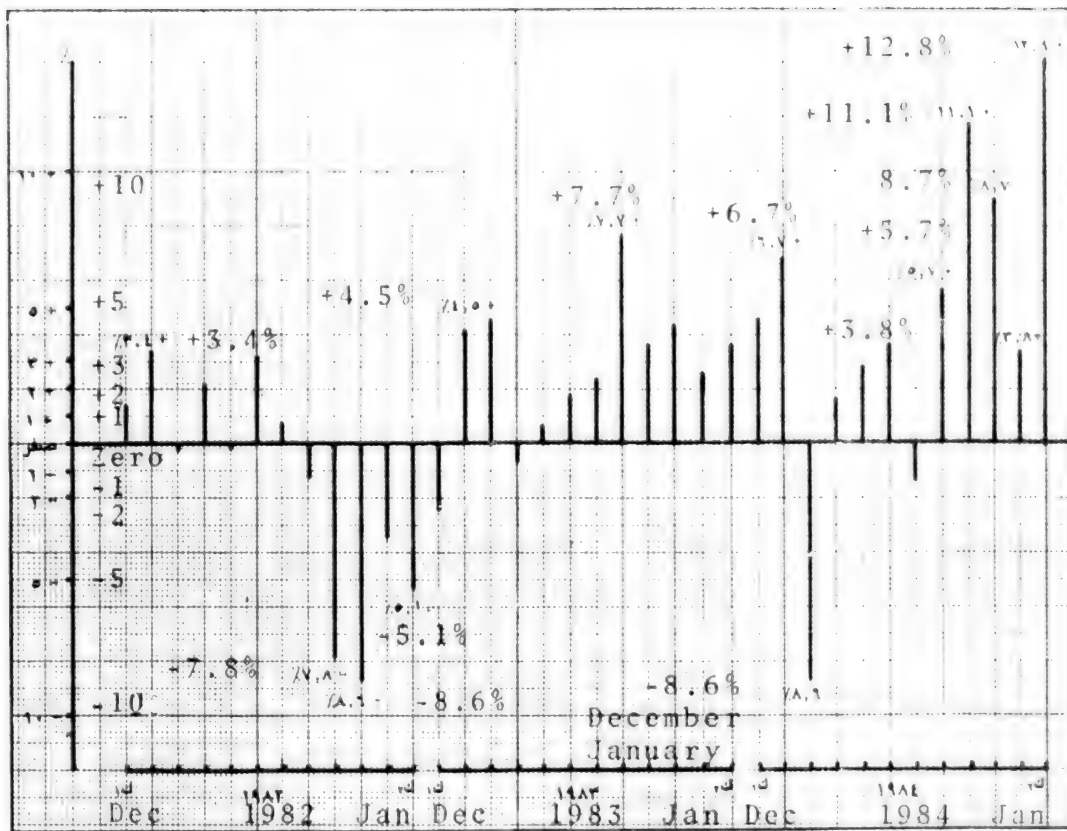


Graph illustrates loss occurring in national product in past 10 years. Even though it was estimated to reach 13 billion Lebanese pounds in 1984 at 1974 fixed prices, it did not exceed 4 billion Lebanese pounds.

Development of U.S. Dollar
Exchange rate in Beirut Market







Percentile Monthly Changes in Dollar Exchange Rate in Beirut Market

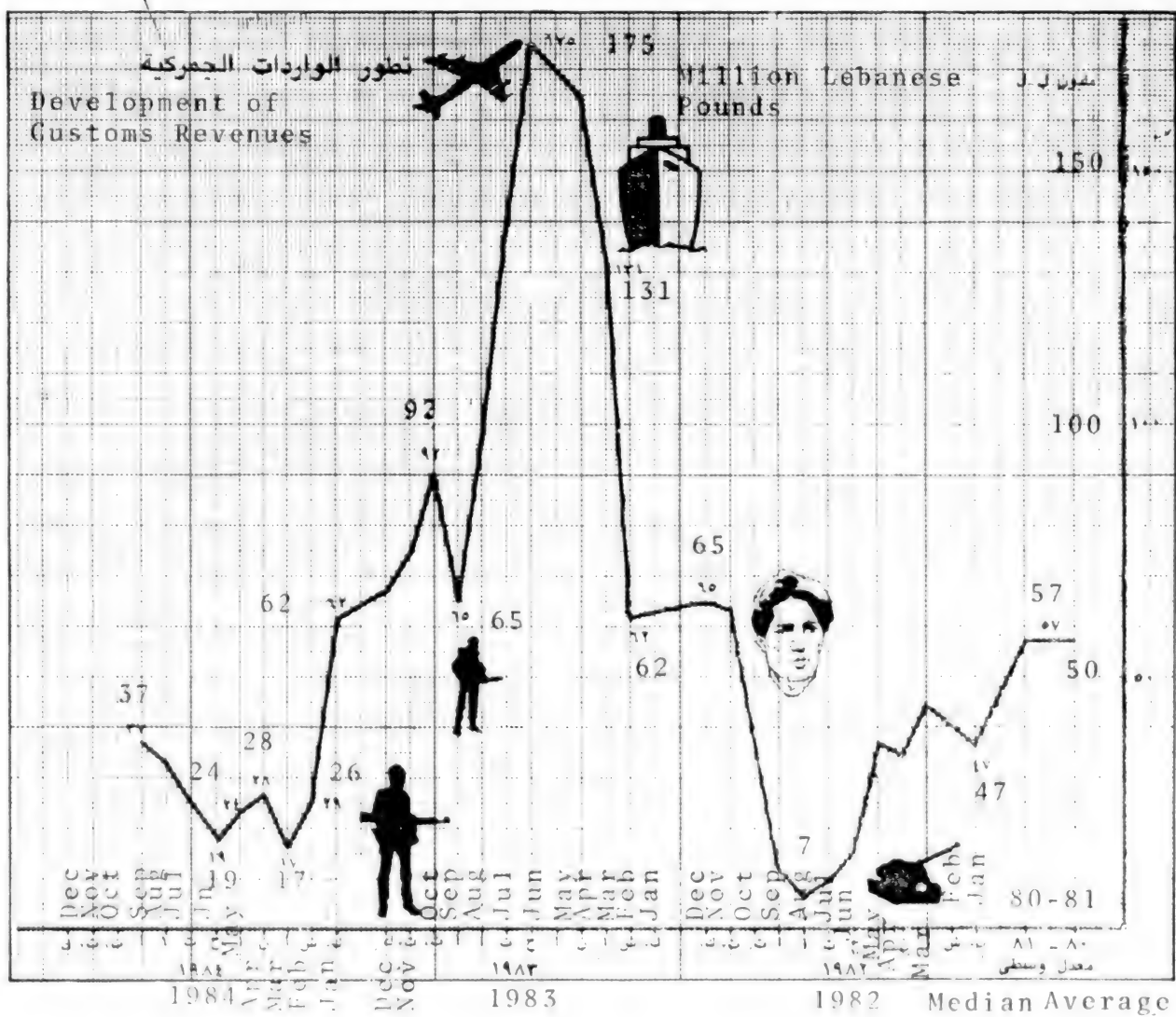


Table 1. Development of Customs Revenues

Year	Millions of Lebanese Pounds
1974	477.8
1975	335.6
1976	64.6
1977	479
1978	508.8
1979	682
1980	683.8
1981	435
1982	400
1983	1,272
1984	462

Table 2. Development of Public Debt

Creditor	(Billions of Lebanese Pounds)				
	1980	1981	1982	1983	End 1984
Debt from Bank of Lebanon	1.89	1.9	1.75	1.5	11.32
Treasury Bonds	2.4	4.9	12.27	15.8	19.13
Total (Internal Debt)	4.3	6.89	14.0	21.16	30.45
External Debt	0.8	1.03	1.03	1.03	1.04
Public Debt	5.2	7.9	15.07	22.2	31.49

Table 3. Bank Deposits

(Billion Lebanese Pounds)

Year	Deposits in Lebanese Pounds	In Foreign Currencies	Total
1980	16.1	10.5	26.7
1981	21.3	12.6	38.9
1982	32.1	13.2	45.4
1983	41.1	16.8	57.9
1984	47.057	20.855	67.9

Table 4. Balance of Payments

Year	Millions of U.S. Dollars	Millions of Lebanese Pounds
1974	-	+ 1,493
1975	+ 11	+ 350
1976	- 255	- 508
1977	+ 748	+ 2,403
1978	+ 180	+ 555
1979	+ 390	+ 2,074
1980	+ 471	+ 3,112
1981	+ 586	+ 6,594
1982	+ 253	+ 2,739
1983	- 933	- 3,089
1984	-1,400	- 4,566

Table 5. Foreign Trade

Balance of Trade, Commodities, Millions Lebanese Pounds

Item	1964	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Imports	1,215	2,688	3,618	4,200	3,850	1,800	4,500	5,100	7,500	10,000	11,500	13,100	15,500
Exports	191	1,080	1,293	1,740	1,425	800	2,364	2,161	3,026	4,160	5,444	5,256	2,694
Deficit	1,024	1,608	2,325	2,460	2,425	1,000	2,163	2,939	4,474	5,840	6,056	6,844	12,806
Imports by exports cover ratio	15.7%	40%	35.7%	41%	37%	44.5%	52.5%	42.4%	40.3%	41.6%	47.3%	40.1%	17.4%
Existing local production	2,955	5,888	6,900	7,500	6,150	2,970	4,800	4,700	4,800	5,500	5,700	4,600	4,500
Imports to local production ratio	41%	45.6%	52%	56%	62%	60%	93%	108%	156%	181%	201%	284%	344%

Table 6. Beirut Airport Movement

Year	Passengers: Arrivals and Departures	Passengers Transit	Aircraft
1974	2,213,900	534,400	44,400
1975	1,949,900	541,300	-
1977	1,363,700	66,000	10,201
1978	1,292,500	116,500	27,074
1979	1,450,000	120,200	27,762
1980	1,530,000	107,000	26,776
1981	1,329,163	66,799	22,619
1982	84,727	42,092	15,641

Table 7. Beirut Harbor Movements

Year	Number of ships	Goods Unloaded (Tons)	Goods Loaded (Tons)	Goods Total (Tons)	Transit (Tons)	Pass- engers
1974	3,612	3,411,546	776,841	4,079,387	932,000	100,715
1977	2,783	2,047,950	140,151	2,188,101	266,898	29,949
74/77	77%	60%	20%	53%	28%	29%
1978	-	1,445,000	133,000	1,578,000	175,000	-
1980	-	2,731,600	248,000	2,980,000	210,000	-
1984	1,248	2,137,738	156,000	2,293,000	78,944	1,130
74/84	34%	62%	23%	56%	8%	1%

12839

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LEBANON

SIDON LEADERS COMMENT ON DIFFERENCES WITH CHRISTIANS

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 4-10 Mar 85 pp 7-11

[Interview by Zakariyah Mahmud in Sidon: "Sidon Yearns For The Government And 25 Are Ready To Defuse the 'Mines'"; date not specified]

[Text] An inhabitant of Sidon told me: "The government should come with all its institutions to Sidon to govern from here. Let the presidential palace be at al-Najmah Square, the government's palace at the Sidon Citadel and the parliament at the Awwali Bridge. It is the only city that has set a lesson in patriotism and proven to the Zionist enemy's legions and intelligence service that it is truly the heart of Lebanon and its gate to freedom and independence."

Following the Israeli withdrawal from Sidon and the environs, the distance between Beirut and Sidon became 40 minutes, including the stops at the Lebanese Army roadblocks scattered all along the road; it used to take days during the occupation. When one talks with the patient, steadfast inhabitants, one gets the feeling of being before long lost citizens and wonders to oneself where they had been hiding and to where the occupation banished them, thus depriving us of them. Talking to them brings back memories of the good old days, the days of harmony and love before the specter of events hovered over Lebanon. They are the ones who faced the occupation and joined the ranks of the national resistance. They are the ones who do not know anything about sects and sectarianism. They fought Israel throughout the invasion and challenged its ability to rouse sectarian prides, thus preventing it from achieving its desires.

Sidon today is the heart of Lebanon. If Sidon dies, Lebanon dies with it. And if it chooses wisely, Lebanon too will succeed and success will prevail all over.

Following the Israeli government's announcement of its determination to withdraw from Sidon and its environs, every Lebanese held his breath in anticipation. The Lebanese began getting ready to fill the void and to foil Israel's design. Israel, through its mass media and official statements, began warning of sectarian massacres unprecedented in Lebanon's past.

Between hope and apprehension, Israel pulled out and Sidon shed the garb of occupation. Instead of the bloodshed foretold by Israel, the streets were

filled with joy and merriment announcing the first born of the southern people's steadfastness and the Lebanese national resistance.

For Sidon faced the occupation with its national unity: no parties, no sects and no organizations, only one united stand that brought everyone together in rejection of and resistance to the occupation.

Today, the people of Sidon want a just and strong legal authority. The only weapon they want is its weapons and the only army is its own army to protect the inhabitants and back the national resistance in its struggle against occupation.

What will happen after the pullout from Sidon and subsequent pullouts? AL-NAHAR AL-'ARABI WA AL-DUWALI roamed Sidon to meet with its leaders: Shaykh Mahir Hammud, representing the Muslim 'ulema' grouping; Archbishop Ibrahim al-Hilu; Mr Khalid Hamdan, Amal movement representative in Sidon; and Dr Nabil al-Ra'i, assistant secretary general of the Nasirist Popular Organization. The result was the following interviews:

Mahir Hammud

Shaykh Mahir Hammud, Muslim 'ulema' grouping:

[Question] How do you assess Sidon's situation, following the Israeli withdrawal, from the political, security and economic point of view?

[Answer] Naturally, the country is worn out following 2 years and 8 months of occupation and the severe blows that were dealt to its economy during the invasion. Entire areas were razed to the ground and when the occupation began taking a foothold, it cut off this area from the rest of the region. Consequently, the roads were closed off to the people and trade, transportation and the like came to a standstill. The occupation fought Riyadh al-Sulh Street, the main artery, head on. It used indiscriminate fire to close up stores and destroy cars. It practically killed the trade in this vital area. Let us not forget that the road to the south became hazardous due to the Israeli roadblocks and practices in the southern areas which ultimately forced the people of Sidon to either leave the town for good or stay inside their homes. They sometimes preferred to leave their businesses so as not to be physically harmed by the shelling or psychologically scarred by the indignities to which they were subjected. The country is undoubtedly exhausted and economically run down. Opening the Beirut road can improve the economy and many things can go back to normal in a matter of months. Reopening the port which resumed operation 2 days ago is very significant and will make a direct contribution to bringing the situation back to normal. We pray to God that there will not be a severe rivalry between certain groups.

As for the social situation, I do not think it is that bad. Regarding the families of the war dead and wounded, I think the people have come together to make it up to them. I think much familial and social assistance was secretly paid to many of these families as I think that the country sympathizes with itself.

[Question] What about the situation of the government institutions?

[Answer] I have nothing to do with this matter. We are in a divorce [situation] with the government right now.

[Question] What we mean here is Sidon's revival and government attention to it during this period in particular following its absence all throughout the occupation.

[Answer] The fact is I am not an expert in this field. It is certain, however, that the government's institutes were extremely derelict prior to the invasion, so how about after the invasion? They were more derelict and there was no official concern during the invasion. There was negligence and the government relied primarily on help from emigres such as Mr Rafiq al-Hariri. Feeling that these emigres have an obligation to help Sidon, it pulled out of Sidon leaving it to the emigres.

[Question] Politically, and following the Israeli evacuation from Sidon, what do you think should happen?

[Answer] Politically, unity must be preserved. No group must try to cancel out another existing group. The political jolt that took place in Sidon during the demonstration last Monday was caused by the Sunday visit to Sidon which was aimed at nullifying the rule of those who gave their blood and their lives for the sake of liberating this land. This created a violent reaction that generated some signs that may have been negative, but were on the whole a true reaction to the attempt at falsification some government symbols wanted to pull off. Some of us helped them and received them with open arms as if they were conquerors.

This means that we must not take into account that no side must claim to be the only one in the arena and that the turn of the others is over and now it is its turn. There are people who gave their blood and lives and others who offered patience and steadfastness. These are worthy of respect and the others are worthy of respect. There are also those who offered a position, and a position is a weapon. They also are worthy of respect. All these people must form a united front in order to proceed with the liberation of the south and to maintain the cohesion of this nation so as to continue the liberation march until occupied Palestine is liberated and al-Aqsa Mosque [in Jerusalem] is ours again, God willing.

[Question] Some say that Israel has left several political and non-political mines to be set off in order to foil any Lebanese national plan for Sidon as a city rejoining the homeland. What is your opinion on these mines and what have you done to confront them?

[Answer] The fact is that Israel has planted large mines indeed, but, thank God, it has failed to set off the first large one which is the massacres to which it and its officials are alluding daily. I think it is an irreversible failure which is certain by virtue of the present coexistence. For example, some biased mass media talked about extremism and about weapons, but this is

not true. I have received a large number of Christians and today (Friday), I am receiving the Reverend Salim al-Ghazal and others whom we welcome. I would like to say there that I welcome and will meet with anyone who does not collaborate with the occupation. This is one example and there are many more. This mine we have overcome and there are others of perhaps a different kind that may be sectarian in nature among the Muslims themselves, for example. I think Israel will not succeed in this at all because Sidon is known for its unionist and national Islamic history. At the same time, Sidon lives in an environment where no large problems have arisen and no green lines have been set up. Furthermore, there has been no violent incidents or anything similar to that. All the mines that Israel has planted or is trying to plant will be doomed to failure, God willing, but we must remain vigilant. The Israeli enemy is treacherous, cowardly and dirty, and unfortunately knows much about the negative aspects of our ranks. Therefore, we hope that all of us will be very alert and very wary and will avoid any conduct that may serve Israel.

[Question] What precautions have you taken?

[Answer] We have intensified our meetings with those people who are real leaders, for not everyone who assumes the title of leader is a leader, and we have exchanged points of view. Agreement on a minimum of matters brings everyone together. For example, everyone agrees that the army must take over control and security and we do not oppose consensus so long as it serves the people. The other thing is the concurrence of the forces and unity of rank as a sure guarantee.

[Question] Does the existence of a great number of diverse political forces bring about conflicts, thus frustrating Sidon's national formula as a model for Lebanon's future formula?

[Answer] This is not supposed to happen. We hope that we have reached a degree of civilization that allows us to differ in ideas and positions and to concur with one another in matters that can be agreed upon, working together on things we agree upon and excusing each other for things on which we disagree. This is a rule that must be clear to everyone. I think this disparity will not come to pass. Yesterday, I received people who disagree with me on some fundamental viewpoints and it was a fantastic session. We know that we differ on many things, but a difference of opinion does not preclude love and friendship. This is an established fact, especially since everyone has participated in his own way and from his own position in the confrontation with the occupation.

[Question] Do you think that the Israeli strikes against the villages of the south, that took place following the pullout from Sidon and its environs, will affect Sidon?

[Answer] Sidon will be affected in a positive way through support for a unity of ranks. It will be affected positively from the standpoint of making the people of Sidon feel that the Israeli danger is still imminent and, therefore, we must rise above the trivialities, continually mobilizing the people against Israel in order to stand up to it. This does not mean that I approve of

port in all offices. God forbid! However, everything that Israel has done has backfired and it has in one way or another turned in our favor from the standpoint of unity of ranks and a broader political horizon.

[Question]: If the first phase of the Israeli withdrawal has generated difficulties such as those that occurred in the wake of the pullout, how will subsequent steps of Israeli withdrawal be faced?

[Answer]: There is a demographic, functional and doctrinaire homogeneity in the areas from where the second phase of the withdrawal will take place. I believe that what was true of Sidon will apply to the other areas as well. It will apply to al-Nabatiyah, to Jarju', to Izzin, to Jaba' and to the rest of the areas. The fact is that Sidon has passed the test and this will be the pattern for the others. I think we need much effort similar to what happened in Sidon.

[Question]: Following Sidon's liberation, will you as an 'ulema' grouping call for the liberation of Palestine?

[Answer]: Indubitably.

[Question]: By what ways and means?

[Answer]: The ways and means will not be informational. The plan will be to mobilize the people. Everyone should know that the Islamic faith emphasizes, and indeed asserts, that Israel as a state cannot survive. Israel is an ephemeral entity. This is taught by the Koran and by the prophetic tradition as well as by Jewish history and the Old Testament that confirms Israel's ephemeral nature. The Israelis, more than you or me, are awaiting the end of this day. Consider what Ben Gurion told Nahum Goldman in a meeting along the Red Sea after the establishment of Israel. He told him: "I am almost certain that I will be buried in a Jewish state, but I do not think that my 50-year old son will be buried there because Israel cannot go on." Nahum Goldman replied: "How can you, the founder of Israel, say that? How can you, who helped the Jews come here to build the state of Israel, say this and still go to sleep?" Ben Gurion replied: "And who told you that I sleep, Nahum!" These words are contained in Nahum Goldman's memoirs, but unfortunately the Arabs do not read. The Jews have been awaiting the end of the State of Israel since before its establishment.

Israel is an ephemeral entity that cannot go on. The heroic national resistance knows that the Jewish entity cannot go on and knows as well through the Koran that the Jewish fighter is a cowardly human being who fights only if he is sure of his weapons and his position. This is what has motivated the freedom fighters and what motivates us to the utmost. Furthermore, Israel is 37 years old now and, God willing, it will not live longer than 40 years. It is in its last days and the world is in for a surprise during the next 3 years.

[Question] Is this vision of yours linked to the plan of the religious movement which is actively working for the establishment of an Islamic state?

[Answer] It may be linked theoretically, yes, but in the sense that Palestine can only be liberated through reliance on an Islamic state. Reliance on a specific place to the exclusion of others I don't think is desirable or proper. Lebanon does not have the elements of a state, and let us not fool ourselves about it. Lebanon is part of Syria and part of its environment. Likewise, Syria is part of Jordan and Jordan is a real power. A radical change is expected in the whole area, not only in Lebanon, and not through a demonstration in Sidon demanding the establishment of an Islamic state. The Islamic state, God willing, will come to be on the pan-Arab level, not on Lebanon or southern Lebanon's level. Lebanon may be the sparkplug and may be the detonator that will set off the larger bomb. He created, and gave his secret to his weakest creation.

[Question] Do you think that the establishment of an Islamic state will lead to the emergence of demands for the establishment of a religious state? And can an Islamic state be set up in a multi-religious society or societies.

[Answer] It is not necessary to call for an Islamic state in Lebanon. I think a discussion in this framework requires time of a special interview that will give me a chance to talk. Now the time for a full answer is upon us.

Archbishop Hila

At Sidon's Maronite diocese, we met with Archbishop Fouad al-Hila and had the following interview:

[Question] How do you assess Sidon's experience from the political and security point of view following the Israeli withdrawal, as part of the territory that has been returned to the homeland?

[Answer] We hope and pray things will hugely improve day by day because the people have suffered enough during the last 17 years on the security and economic fronts. We also hope that the government will fulfill its promises to us concerning its duties and responsibilities. This is what the president said when we discussed with him Sidon and its conditions following the arrival of the Lebanese Army. He said: "Your excellency, deeds are good to the extent that they are fulfilled, so you must complete your magnificent work." The army came in and there was great rejoicing. Sidon manifested itself like no other time in its ancient and contemporary history by putting on a magnificent and unparalleled celebration to welcome the honorable army. Deeds are good to the extent that they are fulfilled, beginning with the establishment of law and order, justice, discipline and peace in the area. Rule is the salt of the earth and government must rule and take care of the people in all the various constructional, economic, educational and health institutions. His excellency promised that everything had been prepared and ready to go.

[Question] Everyone is talking about the fortification of Sidon. How is that?

[Answer] Fortification is one of human, mental, moral and military entrenchment. As for the ethical and social fortification, it is excellent, thank God. There are some faults committed by strangers. The black cloud that fogged the skies of Sidon, on the second day following the army's arrival, by armed demonstrations and odious acts, such as the burning of the flag and the armed demonstrations by young people wearing Lebanese Army uniforms and carrying arms, are abominable actions because the leaders of invulnerable Sidon jumped to their feet as one person, one heart, one word and one opinion, rejecting and putting a stop to all these matters. There are security fortifications the government must undertake for it is its duty and its responsibility to do so. As for the arms fortification, it is solely the government's duty. Weapons outside the army and the government are like a social cancer that must be rooted out of society, the strong army of government. The people of Sidon are good people. The people of the government with judicial, security and legal matters. Their needs are not unusual and are satisfied with ordinary services. They are content with that and are thankful.

[Question] Israel left behind political and non-political mines in Sidon with the aim of foiling any Lebanese national plan. What, in your opinion, are these mines and how can they be avoided?

[Answer] There may be in Sidon several mines planted here and there for certain reasons and designs. I assure you that not one mine will go off, and even if it did, it would be in the air. Sidon does not have actions and reactions; it does not have violence and counter-violence. The people reject all of this and outside hands will not influence Sidon and will have a very limited effect. There was an atrocious incident against our dear friend Mustafa Ma'luf Sa'd and his family and all the residents of the building that was blown up. This matter was checked with discipline, love and understanding, so the mine did not go off. Evil has no chance because the people are good and kind-hearted and have culture and values. However, this does not absolve the government of its momentous responsibilities in these circumstances to keep a watchful eye on law and order.

[Question] Does the existence of a great number of diverse political parties bring about conflicts, thus frustrating Sidon's national formula as a model for Lebanon's future?

[Answer] I personally believe that the multiplicity of sects, creeds and religions, just as the multiplicity of political and cultural tendencies, enriches society in that they act and interact on the level of doctrines, principles and values. Cultural values are a source of wealth and people must respect them and learn from among them. As for political struggles which you mentioned, they have no room in Sidon.

[Question] What will be the post-withdrawal phase be faced in the south?

[Answer] We will go the same way as in Sidon, with admirable, invincible strength and patriotism and with love that promotes understanding and unity.

That is how we hope it will be in all areas up to the international borders. The people can then enjoy the return of independence to their areas as they can enjoy the return of the legal authorities and of peace, safety and tranquility.

[Question] Do you think that the incidents of blockade, repression, murder and displacement in southern Lebanon will affect Sidon?

[Answer] No, there is no chance of that. Sidon is innocent and has nothing to do with this matter. The blockaded villages that are now experiencing such tragic incidents are heart-rending, and we hope that things will be seriously handled by the government and by world and international organizations to alleviate some of the pain and oppression in villages where innocent people are losing their lives.

[Question] The Lebanese Army went into Sidon and has passed the test. How do you assess the army's entry into Sidon and its interaction with the people and the political sides?

[Answer] A few weeks prior to the army's arrival, I had the honor of carrying a message from the people of Sidon and the south to the president which went as follows: "Please inform his excellency the president that we want a strong army in Sidon and the region." The people demanded this. The president was good enough to tell me: "Ready, ready, ready, a strong army." The army came and was magnificently received by the people in an unparalleled celebration the likes of which even the very elder had never seen. The old people of the area told me "we have never seen in Sidon a day like this one." An old man told me "we have never seen in Sidon a day like this one." Another old man told me, "I am 80 years old and as long as I can remember I have never seen a day such as this one in Sidon." It was the most beautiful day in its history. Not only did the people accept the army, they begged for it and urgently requested its arrival. They got what they wanted, thank God.

[Question] What about last Monday's march and what were the reactions to it?

[Answer] I do not want to be ahead of the investigation, the courts and history in judging this movement that occurred. But, I would like to emphasize that Sidon has passed this difficult test with flying colors. When I was warned over the phone of the approach of a large crowd with armed men, the leaders of Sidon got together at Nr Nazih al-Bizri's home and, in the presence of all the officials, set out to deal with the problem judiciously and deliberately. The march arrived and things happened, down to the burning of the flag on the sidewalk in Sidon. This was an odious and loathsome thing to which there was no reaction but which was strongly condemned and denounced by all the leaders and officials. God bless the officials who met from 9 am in the morning until 9 pm at night and did not leave their seats until the matter was solved.

Dr al-Ra'i

Dr Nabil al-Ra'i, assistant secretary general of the Nasirist Popular Organization:

[Question] How do you assess the economic, social and political situation in Sidon following the Israeli evacuation?

[Answer] What we see in the south today is the people's wish coming true and their joy over the liberation. Consequently, they welcome the legal authorities on the basis of maintaining law and order without any excesses. We believe that all the political forces in the Sidon region must realize that we are in the state of rebuilding the country on a foundation that rejects hegemony and occupation. We do not wish to wrest any responsibilities from the legal authorities; we want them to have everything. We say: "We do not want any weapons save for the weapon of legitimacy and national resistance. We absolutely want no weapons. We want no weapons for the 'Lebanese Forces' nor for any other side. We only want the people's safety. The legitimacy is still in its early stages and is still weak. We hope it will do its duty to the best of its ability."

As for the social situation in Sidon, government agencies and institutions and all the Arab assistance must be directed towards Sidon and the region. The one to undertake the first Arab liberation action must be rewarded with a well-planned social action. In other words, we must not have any health, education or social problems. The Arab society must move toward the development of Sidon and its environs.

Regarding the economic situation, the government must take matters in hand in respect to speculation in the dollar and manipulation of the people's destiny. Today we have a strike protesting high prices. The government must undertake a well-considered action with regard to this economic slump. We hope that it will take some positive steps in this domain.

[Question] Everybody is talking about Sidon's fortification. How can we fortify it?

[Answer] This can be done by all of us working to ward off past excesses and the occupation's ramifications. We want Sidon to be an Arab national Lebanese town that represents true law and order. We do not want any past excesses or subsequent ramifications. Every one must work in this direction in order to fortify Sidon against any penetration. We do not allow the legal authorities to persist in their past excuses and inequities. They must treat people fairly, without any discrimination on the basis of religious affiliation, economic status or kinship. This is how Sidon can be fortified. The only criterion for work in Sidon is what people are willing to give to their city.

[Question] What about last Monday's march? How did you deal with it?

[Answer] We dealt with it on the ground. We contacted the 'ulema' and studied the people's reactions. We met with the leaders and issued a communique about the incident's circumstances. Everyone agreed that the flag burning was unacceptable, no matter how you look at it. We believe that there were outside elements, and Israel is not above infiltrating us. The proof is that those who came from Beirut returned to Beirut and did not come to establish a position in the city. Rather, they came to express themselves, but their method was a little too much.

[Question] Some say that it was a reaction to the Sunday visit of President Hafeez and Prime Minister Karamah. Is that true?

[Answer] All the people, everyone came in turn. When any visitor comes to Sidon today, he does that with a purpose in mind. This includes the legal authorities. The purpose is to pick the fruit.

[Question] Some say that Israel has left behind political and non-political mines to be set off in an attempt to frustrate any Lebanese national plan for Sidon as a city that has rejoined the homeland. What, in your opinion, are these mines and what have you done to confront them?

[Answer] We know that Israel used to plant mines prior to the Israeli occupation of the south. Of course, it has agents to do this at present. To the extent that we are able to fortify and prevent excesses and some bad manifestations and to be vigilant, we can be successful in defusing Israeli mines.

[Question] What should happen politically in the wake of Israel's pullout from Sidon and its environs?

[Answer] We believe that the Lebanese Army must be better-equipped because we know what happened in al-Bananiyah 2 days ago. We were told that the army was not equipped. The army must be strong and must have the will to stand up to Israel. It must not place itself in a certain position or on a specific course. It must realize it is in a big battle and must be prepared because the theory that Lebanon's strength is in its weakness or the army's strength is in its weakness must be dropped forever. We believe that if the Lebanese army were to fire a shot in the Israeli enemy's direction, it would have the full support of the people and the country would be truly united.

[Question] Does the existence of a great number of diverse political forces bring about conflicts, thus frustrating Sidon's national formula as a model for Lebanon's future formula?

[Answer] I believe that frontal frameworks and collective action will remove any obstacles. Our experience with the occupation through the leaders of Sidon and the south was productive in that it yielded an enduring national action. I think it will go on like that because multiplicity does not mean division.

[Question] Do you think that the incidents of blockade, murder and displacement in the villages of the south will have an effect on Sidon?

[Answer] It will have a positive effect on Sidon for our people's struggle in the south will be promptly backed. I do not think they will have a negative effect. We, on the national level, will maintain our pursuit of Israel.

[Question] What can you tell us about Abu Ma'ruf's health?

[Answer] He is improving, thank God, but still needs more time.

Khalil Hamdan

Amal Movement representative in Sidon, Khalil Hamdan, answered our questions:

[Question] How do you assess the economic, social and political situation in Sidon and its environs following the Israeli evacuation?

[Answer] After the Israeli withdrawal, we can say that Sidon still maintains lines of contact with the Zionist enemy insofar as all the coastal villages are in a state of contact with the sea opposite the Israeli navy. Furthermore, Israel is only 3 kilometers away from the east of Sidon and can go in any time it pleases due to the weak deployment of the army which we hope will be strengthened through more effective equipment and supplies. Secondly, Sidon, and I say this with candor, has not left the arena of direct conflict with Israel to the same extent to which the Zionist enemy is still perched on the territory under occupation. When we say Sidon, we mean all the areas evacuated by Israel. There are basic tasks having to do with support for the Lebanese national resistance insofar as this area is the main and real reservoir for driving forward the Lebanese national resistance from within and developing its course. This does not mean armed parades, nor does it mean the presence of armed concentrations in the liberated areas. It means silent and secret action following internal national resistance tactics.

It must be pointed out that the economic situation is showing some relief as a result of opening the Awwali bridge and Sidon's contact with Beirut. I think this is the only positive aspect of the withdrawal or the redeployment of the Zionist enemy army. As for us, we are still living in anxiety over security in this area. The Lebanese government is still dealing with us in a routine manner and has not undertaken any qualitative action similar to that of the Lebanese national resistance. It has not undertaken a social relief program in the south and the entire occupied territories. Here, I would like to say to the officials and to all those in charge of the situation that the motto, "the liberated area has rejoined the Lebanese state," is not true because we adhered to this state and were present in this state by virtue of our affiliation with the land and our sacrifices and enduring courage. I say, however, that the Lebanese state returned to the legitimacy of the national resistance and to the legitimacy of the resisting south here in this area. We do not wish to see this return remain as it is now and hope that it will get out of this circle to a practical and qualitative development so as to secure the social and economic necessities of life.

[Question] Everyone is talking about Sidon's fortification. How can that be?

[Answer] Sidon's fortification can be achieved through a genuine backing of the Lebanese national resistance which is the sure and effective strength. Sidon's fortification can be done by engaging in national resistance tactics: secret action and not an anarchic armed course. Because I am in a friendly area, I do not need supporting weapons to go inside. I only need a position and a rifle that fires at the enemy. No one has seen the weapons of this resistance, they have seen its action and we want to see action, not talk.

Sidon's fortification is in the Lebanese Army taking over security responsibilities. This army must be fully staffed and equipped. The army command must not fear any movement whereby its equipment would fall into the hands of Amal or other organizations. We say that the Lebanese Army's strength and unity begins when the first martyr falls in a confrontation with Israel. It begins when the Lebanese Army fires on the Zionist enemy. This means that the Lebanese Army has assumed its true direction in the struggle.

[Question] About the march and the burning of the Lebanese flag, how did you deal with this incident and how did it affect the region?

[Answer] As soon as this incident occurred, Amal announced that it had nothing to do with it. Secondly, I only want to reiterate what Shaykh Mahir Hammud and the march organizers said, that they had nothing whatsoever to do with the negative acts that were committed as part of this march. There were some disruptive elements that exploited the march which was meant as a show of delight at and a reaffirmation of the true face of victory. Shaykh Mahir Hammud's communique emphasized that the march was not organized to make trouble and the movement's position took off from this premise. Once again, we say to all those who are in charge that our true direction today is resistance and that the real struggle nowadays is with Israel.

[Question] Some say that Israel has left behind some political and non-political mines to be set off in an attempt to frustrate any national plan for Sidon and its environs. What, in your opinion, are these mines and what have you done to confront them?

[Answer] The truth is that after every withdrawal there is a military matter called "removing the traces of aggression." The Amal Movement was intent on removing the traces of Israeli aggression. This matter has developed and there are no more first, second or third class agents roaming about freely or are about to make a move. However, everyone knows that Israeli intelligence must have left behind some secret agents whom you and I do not suspect to carry out the work of the Zionist enemy most efficiently. We are lying in wait for them and our main task is to watch out for such cases. They will pay dearly for their actions.

[Question] In the wake of the Israeli pullout from Sidon and its environs, what do you think should happen from the political point of view?

[Answer] The fact is that we do not wish to assume a political role similar to the pre-1982 one. We do not want to be involved in this matter and do not want political bureaus, alliances and counter-alliances. We are watching the situation closely and very carefully. We are watching everyone. Naturally, we have some principal allies here. As I have already said, there is an alliance based on the rejection of the Israeli occupation, a slogan under which everyone joins in alliance. A departure from this framework helps identify friend and foe. In Sidon today, everyone is in agreement and there is no need for the creation of committees and leagues.

[Question] Does the existence of a great number of diverse political views cause conflicts, thus frustrating Sidon's national formula, as a model for Lebanon's future formula?

[Answer] The existing struggle in the south has not taken on a sectarian character. The conflict is based on rejection of the occupation, as I have already said. Amal stood in the face of the Maronite army as it stood in the face of the agent Antoine Lahd Army. Therefore, the sectarian conflict is not an issue except to the enemy's government which began forecasting massacres between the sects. We said there is no such conflict in this day and age, the age of the Lebanese national resistance, although there is a multiplicity of parties and sects.

[Question] Do you think, that the incidents of blockade, repression, terrorism and murder in southern villages will have an effect on Sidon?

[Answer] We are appealing to everyone that, if the fire in the south is not put out, all of Lebanon and all of the world will be burned in the process. For such a cultural intermingling is a criterion for the world. In America, racial discrimination is still in full swing between the red Indians, the blacks and the whites... and also the various affiliations in South Africa. Here we say that the present coexistence and the common life are a criterion that encompasses everyone. Israel has taken every opportunity to play the sectarian tune and is now displacing the inhabitants. We appeal to everyone to act in a very responsible way, for just as the Muslims had a position, we remind the Christians also that the Jews are the ones who crucified Christ.

A Tour In The City

The people of Sidon have been through much under the occupation and its related consequences. We toured its congested streets and talked with its inhabitants about the security, social and economic conditions. We had the following scenarios. Hajj Riyad al-Saqqa of Sidon had this to say about Sidon after the Israeli pullout: "Thank God we are living in peace and tranquility. We are living in happiness and joy. We are only suffering from high prices. As for the situation, it is excellent and the only thing we wish is that the government will be in agreement so that the people may relax. So long as there is a split within the government, the people will go on suffering from one crisis to another. If they really have the people's interests, security and stability at heart, all they have to do is to agree among themselves honestly and sincerely."

'Adil al-Sinn said: "I have a taxi business with 17 cars. Our situation has been going downhill for a year now. Debts are piling because of slow business. The drivers were hard hit as were the owners due to car thefts. Business began picking up last Monday and now we are back to our pre-invasion business. The profits we are making will help defray our losses. Israel's departure from Sidon has been a great blessing. The government is back and we hope that it will be fair and not discriminate between one citizen and another. So long as it is going in this direction we are behind it. We are also against the presence of any non-Lebanese elements. We support..."

coexistence among all the sects in Sidon, and the incident that took place a few days ago is totally unacceptable. Any person who allows himself to carry arms will be dealt with and all of Sidon is with the Nasirist Organization.

Muhammad al-Dimasi: "We want the army to be represented by all the factions. We want the legal government to be the only one in town and we do not want any strange armed men in Sidon. We only want the Lebanese Army here and we are against all other armed manifestations. We are with a just state, with the government and with the president. We are with the cabinet and with all the deputies. All of Sidon supports this statement. We could hardly wait for the government to come into Sidon in order to get rid of the weapons and the armed elements here. Why did they not come to Sidon when Israel was here? When Israel left, they came. We do not want anyone except the Lebanese government.

"The Muslims and Christians in Sidon are brothers to the death. Everyone says so. This is not an issue in Sidon, Muslims, Christians, Jews, the important thing is to be Lebanese."

"With regard to the economic situation, we can now say, thank God. Before the pullout, however, we had severe problems. The important thing now is that the government is here, business is good and the people are reassured."

Muhammad Kan'an said: "Sidon is going through an economic recovery following the Israeli withdrawal. Now we can see people in the streets. During the occupation, we used to close at noon, but now we remain open til 9 pm. As for the matter of coexistence, I do not recall any incident in Sidon between the Christians and Muslims. They have all adopted a united national stand and there is no discrimination between them. Such a mentality is not evident in Sidon and its environs. The presence of the Lebanese Army will solve many security problems that may arise and will put matters straight."

Ahmad al-Zayn: "Now Sidon is safe. The economic wheel is turning again and business is picking up. We went to Beirut and Beirut came to us. Now that it is safe, Sidon is looking toward the national resistance in the areas that are still occupied. We are waiting for another relief and hope it will be soon."

Mahmud 'Abduh: "I find it strange that Israel is still a member of the UN. O my God, how hateful and barbaric this army is! All what we heard through the mass media is but one percent of Israel's practices during the occupation: the house searches, the humiliation, the repression, the murder and the destruction. We have learned how to fight it and how to defeat it.

"It tried so hard to divide us into internecine sects and failed. It brought in the lackey Lahd army and it failed too. Do not believe anything they say about its might. They are cowards, as proven by the occupation. As for Sidon's economic situation, it is recovering, particularly following the opening of the Beirut road and the port."

I left Sidon with a sense of optimism, hoping that this boom will last. But my optimism soon dissipated when I stopped after the Awwali bridge to pick up an army sergeant hitchhiking to Beirut. For once I hoped not to be inquisitive as the journalist profession had taught me. So I asked him how he viewed Sidon's situation. He turned his thick lips and said "No good." After a short pause, I ask why and he said: "So long as the role of the Lebanese army that came in is that of a traffic policeman. The flag burning incident that took place last Monday unsettled the situation and brought out Sidon's weak points."

In general, Israel is still close and has taught us to fear it more when it is close than when it is over our heads.

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LEBANON

SAMIR JA'JA' REJECTS COEXISTENCE WITHOUT NEW BALANCE OF FORCES

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 18-24 Mar 85 pp 8-14

[Interview with Samir Ja'ja', a leading figure in the Lebanese Forces by Jibran Tuwayni and Nabil Barakis: "Samir Ja'ja' Says, 'The Decentralization of Security and Allowing Christians To Have Their Own Force Will Give Them a Sense of Security; Co-existence in Mount Lebanon Is Impossible until Balance of Forces Is Rectified; We Will Not Let this War Come to an End until Justice and Equality Are Achieved for All Members of Our Society';" date and place of interview not given]

[Text] "Israel did not help Christians in Mount Lebanon; but Syria gave considerable help to the Druze."

"I support the voluntary, sectarian separation of people, which does not involve bloodshed; the incidents in Lebanon began in the mixed areas only."

"Each group is to manage its own affairs under a politically decentralized system that is internationally neutral, but all groups are to remain economically linked together."

"The Dayr al-Qamar experience taught me that political activity in Lebanon is backward."

"The persistence of political activity that lacks the minimum standards of credibility and earnestness makes no sense."

"The revolutionary Christian impulse is the primal revolutionary impulse."

Dr Samir Ja'ja', who has dominated the headlines in the past few days, was involved in the battles of Shaka and Balla in 1976; in the Ihdin incident of 1978; and in the battles at al-Shuf and 'Alayh in 1983. Dr Ja'ja', who held many other positions of responsibility in the command of the Lebanese Forces, is a man of much action and few words.

Everyone in the country and abroad has been talking about him and wondering what he thinks about the incidents that have been occurring every day.

AL-NAHAR AL-'ARABI WA AL-DUWALI was the first publication to interview Ja'ja' in depth on various issues about which readers wanted to find out his opinion. That interview was printed in issue number 373, dated 25 June 1984.

We are reprinting this interview which is a significant document for the past, the present and the future.

[Question] The first question we will ask you is one that will enable readers to know who you are. Samir Ja'ja', who is known as "the doctor," rose to prominence as being against the Ihdin operation and even the war in Mount Lebanon. How long have you been in the Lebanese Forces?

[Answer] I became involved in the war for the first time in 1976 to regain al-Kurah from Syrian nationals and Palestinians. At that time I was a student in the College of Medicine at the American University. I continued to be involved in the war until the Arab deterrent forces entered Lebanon in October 1976 when conditions became relatively stable after that.

I was unable to continue my studies at the American University because of the security conditions that prevailed then in the western district. So in 1976-1977 I enrolled in the French College of Medicine. In the spring of 1977 there was a clash with the Syrian army in the area of Bsharri, so I left the university and went back to my town where I stayed for almost 2 months until conditions became relatively stable.

After the dispute that broke out early in 1978 between Sulayman Franjiyah and his group on the one hand and the Phalangist Party and its supporters on the other, I went back to the north. I took part in the Ihdin operation where I was wounded. Naturally, I did not go back to my studies at the university after that, but I did go to France for therapy. I have been in the Lebanese Forces since then.

Going to Mount Lebanon

[Question] Let's go back to the recent past, to the battles of Mount Lebanon. When was the decision made to go to Mount Lebanon or for you to return there? Were you waiting for a decision to go back to Bsharri or go to Bhamdun?

[Answer] Going to Bsharri was definitely not on the agenda because the Syrians were there. The boundaries of the Israeli operation had become clear in June 1982. However, I went to Mount Lebanon spontaneously and on my own after the Israeli operation in June 1982 when all the area's residents, partisans and non-partisans, returned to their villages after having been forced to stay out of them for 8 years.

[Question] Was the decision to return to Mount Lebanon made by the leaders of the Lebanese Forces or the Phalangist Party?

[Answer] Of course, the decision was jointly made by the leaders of the Lebanese Forces and the party.

[Question] Many people have criticized the Lebanese Forces for going into Mount

Lebanon. In your opinion what was the Lebanese Forces' goal? And since the Lebanese Forces have been accused of making mistakes. Do you think that mistakes were made, such as forcing people to leave their homes and dealing with the reactions to that?

[Answer] What happened is that young people went to Mount Lebanon with victory in the back of their minds. They tried to exercise their military and political freedom which had been denied to them for several years during which the Druze had dominated the Christians. Young people in particular had been mistreated by the Druze who had shut down Phalangist offices and confiscated liberties everywhere. The natural reaction of the young people when they came back was to shut down the socialists' offices.

At that time the Druze were quiet. They took no action as they waited for new developments. They were waiting to find out what Israel would do, what the state would do, and what Syria would do. As soon as the Druze felt that the alliance between the Jews and the Christians was not vital and solid, and as soon as they sensed that a Druze-Israeli alliance was possible, they began taking action against the political and military activities of young Christians in the area. However, they knew that their counteractions were directly related to the relationship between Israel and the Christians. In other words, if the relationship between Israel and the Christians were good, the Israelis would not allow the Druze to escalate their actions against the Christians. However, if the relationship between Israel and the Christians were not so good, the Israelis would then give the Druze the freedom to act.

[Question] Are you saying that Druze action there was a measure of the relationship between Christians and Israel?

[Answer] Yes, that is true.

[Question] Why did you go to Mount Lebanon?

[Answer] Seven months had gone by, from June 1982 to January 1983, since young Christians had gone to Mount Lebanon. As a result of developments there, which led to significant deterioration in the Christian position, an unusual step had to be taken in an attempt to stop the deterioration and save what can be saved. Therefore, I was asked by the leaders to go to Mount Lebanon and fill the vacuum there.

[Question] Did Samir Ja'ja', the native son of Bsharri, know the nature of the land and people of Mount Lebanon before going there?

[Answer] Is Mount Lebanon Alaska so that we would not know about it?

[Question] Some people think that each area has its character. They think that a Bsharri native is different from a native of al-Shuf or of 'Alayh. There are Maronites in Bsharri, but in al-Shuf and 'Alayh there are Druze and Maronites.

[Answer] No, no. It is true that there is a difference between the situation in Bsharri on the one hand and the situation in al-Shuf and 'Alayh on the other. But Mount Lebanon is Mount Lebanon, and its people have the psychology and

characteristics of mountain people. The Christians' problem in Bsharri, Dayr al-Ahmar, Bhamdun or Dayr al-Qamar is the same. I believe that we have enough information about the Lebanese situation and the history of our country to understand and fully comprehend the problem of Mount Lebanon.

[Question] Did you believe that Druze and Christians could coexist in peace after the Israelis came into Lebanon and after the young people of the Lebanese Forces basked in the glow of victory?

[Answer] I did believe that Druze and Christians could coexist if there were a balance of forces between the two sects.

[Question] Did you want this coexistence to succeed?

[Answer] Yes, but not on those bases that existed when the Syrians and Palestinians were in Lebanon.

[Question] Did you want the Druze to be in the same situation the Christians were in in Mount Lebanon when the Syrians were there?

[Answer] Of course not. There can be no real coexistence unless there is a balance between the forces of both sides, especially after the historical harm that was done to the Christians of Mount Lebanon.

It is true that before that they lived there together, but a distinction must be made between two matters: being there as a matter of fact and coexisting together as an exercise of the will. Their presence there was a kind of existence without freedom, but coexistence involves the full exercise of one's freedom with all that is implied by that. We want to coexist, and we want each one of us to be content. We want each one to have the opportunity and the possibility for full self-actualization.

If I were to sit with you, pointing my gun to your side and dictating to you what you should say and do, would you consider such action coexistence or an existence under the status quo? Christians in Mount Lebanon existed under a status quo, and when they found an outlet for themselves, they reacted in the manner that we saw. Had there been actual coexistence instead of persecution and repression, these reactions would not have happened. Therefore, I came to believe--and I still do--that it would be impossible to have real coexistence in Mount Lebanon until a Christian victory is achieved as a reaction to the numerous victories that were previously achieved by the Druze over the Christians in Mount Lebanon. This is the logic of politics; it is the logic of history. To put it briefly, there can be no coexistence where there is no balance, and there can be no balance where there is subjugation and persecution.

Miscalculations

[Question] The Lebanese state says there was a misunderstanding between it and the Lebanese Forces, the Israeli troops, the army and the Lebanese people as a whole. The state says that is why Mount Lebanon fell. How do you explain the state's loss of Mount Lebanon?

[Answer] Unfortunately, the legitimate Lebanese government knows nothing about the incidents. Unfortunately also, I had my doubts that Lebanese government agencies had detailed knowledge about what was going on in Mount Lebanon. I am now certain they don't know anything about what is going on there.

State agencies do not know what the Druze want; they don't know what the Christians want or what Israel wants. Nor do they know how much influence the United States has on Israel. They also did not know the extent of the relationship between Syria and the Druze and between the Druze and Israel.

For example, I had the feeling that many state officials would force the army to go to Mount Lebanon if the Druze did not accept [their conditions] amicably. But does the state know the implication of forcing the army to go into Mount Lebanon? Does it know the truth about the force that the army will face there?

Many state officials used to say that the United States would apply pressure to Israel and that it would not allow it to withdraw. Does the state know how far the United States can go in applying pressure to Israel? Does the state know that when Israel decides what is in its interests, no amount of pressure applied to it will be of any value?

Ultimately, all the calculations turned out to be erroneous.

[Question] In your opinion, was an understanding between the Lebanese state and the Druze in Mount Lebanon to take place so that the state could actually impose its control?

[Answer] The state should have had much more information than it did about what was going on and about the real facts.

What Happened?

[Question] What exactly did happen in Mount Lebanon? Some people say that the Israelis withdrew and turned over their positions to the Druze, but others say that Israel did not help the Lebanese Forces. Do you think that Israel betrayed the Christians in Mount Lebanon?

[Answer] Israel did not help the Christians in Mount Lebanon when Syria was giving the Druze extensive assistance. I would like to give you here a full account of what happened in Mount Lebanon. What happened was that the Druze controlled Mount Lebanon. When Israel entered Lebanon, Christians in Mount Lebanon assumed they had won a victory, and they began to act on that basis, especially after al-Shaykh Bashir was elected president. The Christians thought that the balance of forces in the country and the area was in their favor.

[Question] What do you think? Was that wrong or right?

[Answer] Regardless of what I think, the events proved that that was wrong because an Israeli victory should not have been considered a Christian victory.

The fact is that the Jews were preoccupied with getting the most out of their victory in Lebanon. What might happen to the Christians on Mount Lebanon was the

last thing on their minds. The Christians were actually in an unfair historical situation. Then the Israeli operation took place, and the Christians of Mount Lebanon regarded it as a victory for them. They thought they could right the wrong that history had done them, and they began taking action that was based on that assumption.

It is my opinion that the death of al-Shaykh Bashir upset the balance that existed between the Christians and the Israelis. That allowed the Druze time to catch their breath and to prepare themselves well.

Elsewhere on the scene the Syrians were watching the Lebanese government. Of course they were unhappy about the fact that that government had made an agreement with Israel under U.S. auspices. At that time Syria began looking at the Lebanese government as an enemy, and Israel too became suspicious and uncertain of the Lebanese government. Israel had hoped to reach an agreement with Lebanon without the United States's help; it had hoped that agreement would have gone farther than that which was reached.

The situation continued to develop in that direction until the point was reached at which Syria wanted to overthrow the government in Lebanon and Israel wanted to apply pressure to it to force Lebanese government officials to go to Jerusalem and negotiate directly with it.

It was then that Syria and Israel, each in its own way, employed Druze fire. Syria furnished the Druze with the best weapons, and Israel made matters easy for them. When the zero hour came and Israel withdrew from Mount Lebanon, the Druze moved into positions of power, and the rest is history.

[Question] Do you believe that the Lebanese army is to blame for what happened in the question of Mount Lebanon? Do you believe that the army could have done more than it did?

[Answer] It cannot be said that officers and individuals in the army are to blame for what happened in Mount Lebanon. Those officers and soldiers do not lack courage: they are brave men. Nor do they lack the will to fight: they are fighters. The events of the past 6 months confirm that. The fact remains, nevertheless, that the problem is rooted in the makeup of the army which weakens its ability and effectiveness considerably.

[Question] It is being said that an agreement between Lebanon and Israel was to have taken place so that the army could take over the Israeli positions before the Israelis withdrew. Was no agreement made, or did Israel not want such an agreement?

[Answer] To begin with, Israel was not too enthusiastic about such an agreement. The state had also been dilly-dallying in this regard, saying that it would be better for the UN troops to take over the Israeli positions when the Israelis withdraw. Then the state would take over those positions from the UN troops. The state thought that that would be better than to have it said that the state had taken over those positions directly from the Israelis.

What finally happened was that neither the Israelis were enthusiastic about turning over those positions to the state--they had proposed that to avoid blame--nor was the state enthusiastic about it.

When the Israelis proposed that they turn over their positions, the state said it would not take over those positions from the oppressive, occupying Zionist enemy. The state was also telling the Israelis, "You want to put us in a difficult position. You've set up a trap for us in Mount Lebanon: you'll put us between the two groups and then withdraw."

It were as though it was up to foreign countries to overcome the domestic difficulties that the Lebanese state was facing!

The state's logic, if you consider it logic, was curious indeed!

Dayr al-Qamar

[Question] You moved to Dayr al-Qamar after the battle of Mount Lebanon. What did you learn from Dayr al-Qamar?

[Answer] Do you mean what did we get out of the war in Mount Lebanon?

[Question] I am referring to the period of time you spent in the end in Dayr al-Qamar, when you were isolated and besieged.

[Answer] I lived with people who were besieged too. Christians have been besieged for scores of years, and they still are. The siege of Dayr al-Qamar in particular has set Christians apart and marked their emotional readiness to break that siege. The refusal to surrender indicates that the struggle continues.

[Question] What pressures were applied until the siege on Dayr al-Qamar was lifted?

[Answer] Actually, many contacts were made in Lebanon, the United States, Israel and the Vatican. It is certain that the Lebanese Forces were behind all these contacts.

[Question] Was Israel at the center of all these contacts?

[Answer] Yes, it was. Some of the contacts were direct, and others were made through the joint Lebanese and Israeli government committees. In addition, there was all that pressure at the time from the media.

[Question] What do you think about people from all villages who were under siege with you in Dayr al-Qamar? Do you believe they are carrying a grudge against the Lebanese Forces, or do you think that there is rather some kind of bond between them and the Lebanese Forces?

[Answer] Actually, they now have a grudge against all leaders and officials. However, the grudge they have against us is relatively smaller because they lived with us throughout that period. Thus, they realized to a large extent what was happening, and they understood the nature of events and how matters were going on. They understood what they were going through and what we were going through with them.

[Question] We can say that Lebanese villages in Mount Lebanon were evacuated. In other words, the Lebanese Forces asked residents of Christian villages to leave the villages before the arrival of Syrian troops or even before Bhamdun fell, or when Bhamdun fell and before the remaining villages fell....

[Answer] That is correct.

[Question] Why?

[Answer] To avoid the massacres that could have happened.

[Question] Do you think that if those people had stayed in their villages massacres would have occurred and all of them would have been killed?

[Answer] Certainly, and this is confirmed by what happened later. In other words, after all that, about 10 old or disabled people remained behind in each village; they were not able to leave with the rest. All those people were killed. What would the situation have been like if the young, women, girls and children had stayed behind?

[Question] Did Bhamdun withstand longer than was expected?

[Answer] Yes, longer than we expected.

[Question] What was the incident that moved you during the war in Mount Lebanon and that sticks in your mind?

[Answer] Actually, I was very much moved when I saw old men, women and children leaving their homes on their way to Dayr al-Qamar. During those moments I recalled the entire history of Christians in this country: I remembered what happened in 1975, 1958, 1943, 1926, 1860, 1840 and 1305. I will never forget as long as I live the sight of the Christians of Mount Lebanon leaving their villages and their homes on their way to Dayr al-Qamar. They were pathetic as they walked in clusters under fire: they were accompanied by their wives, children and old relatives; [a few] carried one child on one shoulder and another on their backs.

I realized after that how profound the Christians' tragedy in the East has been, and I became more determined to stop this tragedy no matter what the cost.

[Question] Do you believe that those who were engaged in harassment and murderous activities were Lebanese citizens or foreigners?

[Answer] Actually, the few Christians who were saved from slaughter were those who were captured by Syrians and Palestinians. But all those who were captured by the Druze were killed.

Rescued from a Historical Crisis

[Question] You were with those people in Dayr al-Qamar. What did you get out of Dayr al-Qamar, and what do you think of the Dayr al-Qamar experience?

[Answer] What I got out of the Dayr al-Qamar experience is an awareness that we

are still very backward in our political practices, especially in a strategic sense. The fact is that political activity in Lebanon is backward, and I am certain that there is no strategy behind it. Even the notion of strategy as such is non-existent. There are only tactics, and these are shoddy and erroneous in most cases. It is that which has caused the Christians' historical crisis to persist till today. Now we must find a historical solution to it.

[Question] What is this historical crisis?

[Answer] Our historical crisis lie in the fact that throughout the ages our security has been threatened and our liberties curtailed. We could not achieve our own self-actualization in the manner that we wished.

[Question] Based on this crisis and on [your outlook on] the future, what do you think is the solution to this crisis?

[Answer] No matter what the cost will be, Christians should no longer be victimized with impunity. Sometimes it was the Mamelukes, and other times it was the Ottomans. When 'Abd-al-Nasir died, the streets of Beirut were on fire, and all hell broke loose when the Palestinian Revolution lost one of its men.

Therefore, our security in Lebanon should be firmly guaranteed once and for all. This is the strategic objective that we have to work for.

[Question] How do you think this security will materialize? Do you think it will come about by means of a crusade?

[Answer] I think many things will make it materialize, starting with a decentralization of security that would be based on the Christians having their own force.

A Formula for Coexistence

[Question] Do you support a pluralistic Lebanon in which all factions could coexist? How do you see this coming about?

[Answer] There are social, political and historical groups that have coexisted together in Lebanon. Each one of these groups has its own distinctive ideology and history. In my opinion, the best formula for coexistence is that which allows each one of these groups to realize all its ideological and historical proportions in the manner that it sees fit, without having that interfere with the rights of other groups. We should not ask people to become self-effacing so that finding a formula for Lebanon would become possible. That would be irrational, and the ongoing war provides evidence of that.

[Question] How can you equate security for Christians, Druze, Sunnis and Shi'ites?

[Answer] Does security for one faction interfere with security for another? Security is security for everyone, and it is achieved by recognizing the security of the other parties. This means that each group would have the right to be different and to develop its own individual characteristics.

[Question] What do you think the makeup of the Lebanese state should be so that each group would be reassured and the civil war that we have had for 10 years would not recur?

[Answer] Each group is to manage its own affairs under a politically decentralized system in a Lebanon that is internationally neutral.

[Question] Does this decentralization affect administrative matters only, or does it affect political and financial affairs also? Should the economy, politics and education be decentralized too?

[Answer] Yes, education should be decentralized. If we say that foreign policy is to be neutral, we will have no problem in that regard.

But the economy should not be decentralized. All of Lebanon must be linked together economically.

Security should be decentralized.

And here I must make an essential observation. The Middle East region has often experienced, especially recently, an escalation in the rhetoric of violence and radicalism. The Christians have put up and are putting up with much of this rhetoric, and more may lie ahead. Therefore, Christians should not rely on political solutions. To maintain their freedom in the area they must be strong so others would not dare take action against them.

Don't ever think that at some time we can ensure our presence in the East by having nothing more than a political understanding. This is not possible unless such an understanding is backed by our own power. An example of this is the 1943 Pact. Wasn't that an agreement between various Lebanese groups? Why then is it being violated every day and every instant?

Coming up with a civilized formula is not enough to set matters in order. What is important is having the power to protect that formula. Our future depends on our power.

[Question] Are you saying that you would not use this power against other sects and that you would only use it to make them feel that you are powerful? Does this mean that you consider these religious wars that are being fought today to be a failure, and is the age of religious wars now gone forever?

[Answer] Based on religious, philosophic and ideological premises we, as Christians, do not allow ourselves to wage wars on others. At the same time we will not allow anyone from now on to wage war against us and to threaten our existence.

What right do we have to put pressure on others, to kill them and force them to leave their homes? What right do we have to impose on them matters that they find unacceptable? We should not impose on others what we will not let others impose on us.

Our politics must be derived from lofty principles. Just as we ask for our

rights and our liberties, we must, by the same token, recognize the fact that other groups too have their rights and liberties.

Sectarian Segregation

[Question] Based on the decentralization that you have been talking about, do you believe that the decentralization we will have will be some kind of confederation, or will it be autonomy in a united state. What will be the political makeup of that state? Do you believe that sectarian segregation is essential, or do you think that people from other sects could live in Christian areas?

[Answer] People usually cringe when the subject of sectarian segregation comes up. People with developed, educated minds are repelled, and the human element in each one of us is awakened. We all denounce, reject and condemn the idea.

But let's not dissemble! Let's not be foolish, superficial and demagogic and let's ask: which is more humane and advanced, allowing bloodshed to soil our history continuously or putting an end to all that? Should we allow Christians to dominate Muslims or vice versa? Or should we leave them alone to achieve the self-actualization they deem appropriate without letting them interfere with the liberties of others?

Are Muslims living in a Christian environment and Christians living in a Muslim environment comfortable? Of course not; they are not emotionally, socially or religiously comfortable. I support the idea of voluntary segregation, without bloodshed. We've noticed throughout the ages that events involving bloodshed have always happened in non-segregated areas. If the population of Lebanon were more homogeneous and if there were no non-segregated areas, the number of wars in our history would have been much less than it is. And since we know where the wars start and where they begin, let's get rid of those areas where they start. Let me re-emphasize that the incidents in Lebanon always began in non-segregated areas. No matter how much we and a second group might differ over political, ideological and philosophical matters, we would never go so far as to wage a war on each other unless there were immediate reasons for such hostilities. The fact that people of different sects intermingle in social and residential settings with the minimum amount of intellectual, life-style and political harmony between them makes the situation more volatile and more tragic.

The Army

[Question] How would a new decentralized Lebanon be divided, and who would protect and defend its borders?

[Answer] The military.

[Question] What military? Those who are on the borders?

[Answer] We have many formulas for that. Some people think that an army where the sects are not segregated is to be stationed on the borders. In my opinion, however, such an army would not be able to take part in an actual war. We have another formula that may be more successful. We may get military units from each group, and all the units together would make up an army. Let's assume that the

army on the border will have to be made up of five brigades. A brigade of Christians would be turned over to the federal army and it would be assigned to its area of operations. There would be another brigade of Shi'ites and one of Sunnis and so on. Thus, when these brigades are separated, they become subordinate to the federal government.

[Question] Then you are not in favor of a Christian Lebanon, are you?

[Answer] Certainly not!

[Question] Why are you opposed to a Christian Lebanon?

[Answer] Because we as Christians are not alone in Lebanon; there are Christians and Muslims in Lebanon. If you were to ask me what I wish for now, I would wish that all the people in Lebanon would be of one sect so that problems could be curtailed. But what we have in Lebanon at the present time are Christians, Druze, Shi'ites and Sunnis. That, however, must not mean that we have a constant war. Why do we make matters difficult for ourselves? Let's leave each one live as he pleases. Why should I want to teach you what I want to learn? Why should you want to teach me French when I don't want to learn it? Why does each group try to force on another group matters and positions in politics, culture or public life that the latter group does not want or like? Why do we behave in this blind manner? Let us let each group behave in the manner that it finds appropriate in accordance with the cultural and religious premises that control such action, provided that action does not hurt others.

[Question] Is it possible for a single Lebanese nation to emerge in the future, or will Lebanon continue to be that part of the world where several nations coexist?

[Answer] Do you have a certain period of time in mind when asking that question? If your frame of reference is 100 years, then there will be a spot on the earth where several nations will be living together. But if your frame of reference is 1,000 years, we cannot make a judgment on what historical developments might bring us then.

[Question] What can we do so that none of the groups would be attracted to one of the countries surrounding us?

[Answer] It seems to me that each one of these groups has enough Lebanese characteristics to keep it from establishing ties with foreign countries. At any rate, let's assume that they do not have enough of these Lebanese characteristics to prevent them from becoming associated with foreign groups, then the central law and the makeup of the new state we are contemplating must have such laws as can preclude an association between any Lebanese group and a foreign country.

The Type of State and the System

[Question] Today, for example, Nabih Barri or the Shi'ites are putting forth a proposal that Lebanon become one precinct, that sectarianism be abolished and that democracy be applied. What is your response to that?

[Answer] Do they want to abolish political sectarianism? Fine. What comes to mind in that regard is Dr Khayrallah Ghanim's analysis in his book "Al-Radikaliyah al-Siyasiyah" [Political Radicalism]. In that analysis Dr Ghanim says that a distinction must be made between two things: between the type of state on the one hand, and that state's political system, on the other.

Let's take Russia, for example, where the state's type and makeup is pluralistic. Russia is a federal state; that is the type of state it is. But it is not a democracy. The United States is a federal, pluralistic society; but it is a democracy.

France is a united state and a democracy. China is a united state, but it is not a democracy. We must, therefore, make a distinction between the type of state and its so-called political system because there is no relationship between the two. A federation, such as that which exists in the United States, could be a democracy, and a federation, such as that which may be found in Russia, is not. It is also possible to have a united state that is also a dictatorship, or a united state that is a democracy.

It is necessary to distinguish between the type of state and its makeup on the one hand and its political system on the other.

[Question] Does that mean that you favor a federation?

[Answer] Let me finish my comment about Nabih Barri. If Nabih Barri is asking that political sectarianism be abolished, let me tell him that political sectarianism in Lebanon is something that has to do with the type of state and not its political system.

Why? Because when Christians and Muslims called together for an agreement on the establishment of one state in 1943, they agreed on the sectarian makeup that we have today. This means that if anyone of us brings up the subject of political sectarianism, he would be talking about the state's makeup and type and the 1943 Charter. He would not be talking about a problem that has to do with the political system.

If we agree about that, then [we will also agree that] when Mr Nabih Barri proposes that political sectarianism be abolished, he would be talking about the 1943 Charter. That is fine. We too want to change the 1943 Charter. We want to have a formula that is more responsive to the historical circumstances of all Lebanese groups.

But what may not be done in this context is to confuse everything together by proposing that political sectarianism be abolished while talking about the political system in Lebanon. Let us refrain from presenting matters out of their proper context. Otherwise, we will continue to find ourselves in the "tower of Babel" we are in now, and I believe none of us wants that.

[Question] Neither Nabih Barri and Walid Junblatt nor the opposition in Lebanon, which is in government today, thinks that the Lebanese Forces, Samir Ja'ja' or others represent all the Christians. They think there are other Christians in Lebanon who have other points of view and other positions. What is your understanding of that fact?

[Answer] And does Nabih Barri represent all the Shi'ites? Does Walid Junblatt represent all the Druze? Of course Nabih Barri does not represent all the Shi'ites, nor does Walid Junblatt represent all the Druze, but they do represent the majority of the Shi'ites and the Druze. We too do not represent all the Christians, but we do represent the majority of them. Why then don't they talk with us?

If there are others who truly represent the Christians, let them go and talk with them!

[Question] What is the criterion then?

[Answer] The forces that are active on the scene.

The Christians' Unity

[Question] Based on what Nabih Barri talks about, do you think the Christians are divided or united? Should Christian ranks be more united than they are now?

[Answer] There is no doubt that all Christian energies are not being focused and streamlined. We are supposed to try to focus and streamline all those energies as required as soon as possible. The Lebanese Forces are serious about that regardless of the cost.

[Question] On that basis do you support the reconciliation with President Franjiah?

[Answer] The unity of Christians in Lebanon is essential and mandatory. But a few of those people who are proposing the unity of Christians and mourning the lack of this unity are not really aspiring for Christian unity, but rather for the unity of Christian feudalists. That is something we do not want. In fact, that is one thing we want to oppose.

If we want true Christian unity, we must know who and what is presently standing in its way. The only factor that is playing a serious role in dividing Christians is Syria's presence in north Lebanon. Let's assume that the Syrian army is not in the Christian north, were the Christians then united or not? The principal factor we have to deal with, if we really want to bring about Christian unity, is the Syrian presence in the north. Therefore, we are asking those who do intend to see to it that Christian unity is achieved to join us and work with us so we can get the Syrians out of north Lebanon. Then the Christians will be united.

The Ihdin Incident

[Question] Let's go back for a while. It's being said that the Christians were united before the Ihdin incident. Is that true or not? Do you think the Ihdin incident was a mistake or not?

[Answer] First of all, I want to affirm that what happened in Ihdin was an operation and not an incident. An incident is something that just happens, and what happened in Ihdin was not something that just happened. It was a security

operation that had to be carried out because of conditions in the north. The conditions of political activity in the north and the political practices of the Franjiyah family made that operation necessary. I would like all people to know that the future of political liberties, not only in the north, but also in the remaining areas, depends on the outcome of the ongoing conflict in the north.

Therefore, people should not believe the story that what is happening in the north is conflict between two tribes and two towns. It is rather a conflict over political liberties.

[Question] Does this mean that you think this operation was necessary?

[Answer] I most certainly do. Other operations may be necessary.

[Question] Don't you think that it divided the Christians?

[Answer] Not at all. It is the presence of the Syrian army in the north that divided the Christians.

[Question] How can the Syrian army be driven out of north Lebanon?

[Answer] Either by war or....

[Question] Do you have the ability to do that?

[Answer] At the present time, no. But the second method that may be used to get them out is that of political negotiations. In this regard I hope that the illusions which some people have about the Syrian army being in the north because Sulayman Franjiyah wants it there will be shattered. The Syrian army is in Lebanon to serve Syrian interests. Its presence in Lebanon has nothing to do with Sulayman Franjiyah. Quite the contrary: Sulayman Franjiyah is in the north because Syria wants him to be there.

Why is there a Syrian presence in Duhur al-Shuwayr, in al-Biq'a', in Tripoli or in 'Acre. Are the Syrians there because of Sulayman Franjiyah too? The Syrian presence in the north has to do with Syrian policy in Lebanon as a whole.

[Question] Let's go back for a while to the story of Ihdin. Was that a unilateral decision by Samir Ja'ja'? Can you say that Samir Ja'ja' is to blame, or was that a political decision?

[Answer] There was most certainly a political decision.

[Question] Does that mean that it was not Samir Ja'ja', the native son of Bsharri, who wanted to control the area there and decided to go to Ihdin and carry out the operation?

[Answer] If the matter had been so easy, Samir Ja'ja' would have gone to Ihdin by himself and not at the head of fighting forces.

[Question] Was killing Tony Franjiyah the goal of the operation?

[Answer] Not necessarily. The goal of the operation was to prove to the Franjiyah family that north Lebanon was not their property.

[Question] Was a decision made to kill Tony Franjiyah in the course of the operation or not?

[Answer] The goal of the operation was to put an end to the violence that Franjiyah's people were perpetrating against Phalangists and others in the north. The existence of a tribal, political system in the north may be somewhat "tolerable," but that there be a feudalist system that wishes to impose itself on people by force is absolutely unacceptable. The principal goal of the operation was to put an end to the incidents and to stop the cycle of violence that was being perpetrated by Franjiyah and his people against the Phalangists and their supporters. This was to be done in a manner the Franjiyah family could understand.

[Question] Did the operation fail?

[Answer] It was not a complete success.

[Question] Then is there something still missing?

[Answer] Yes.

[Question] Some people are saying that the Syrians facilitated the execution of the operation.

[Answer] That is possible.

[Question] Why is it possible?

[Answer] I could not know much from where I stood at that time. I cannot swear to what I am not certain of.

[Question] Why did you say it was possible?

[Answer] It seems to me that an operation of that size could not have been a secret to many people.

[Question] It is being said that the Israeli game plan in north Lebanon is the same kind of game plan. [Is that true]?

[Answer] Countries behave in a manner that enables them to avoid having others faulting or blaming them. As far as the Ihdin operation and the reasons for it are concerned, the incidents began early in 1978 and not in June 1978. The major outburst occurred in June, but the incidents began when the Phalangists' offices were shut down. Then their hospitals were closed, and they were forced to leave, starting with the area of Zgharta. After that Phalangists were killed; chief among those who were killed was the late Jawd al-Bayi'. These incidents continued to accumulate until there was real rancor and rebellion, and that led to the Ihdin operation.

[Question] What matters is that the price of reconciliation between the Lebanese state and President Franjiah was the removal of the roadblock at al-Barbarah. Do you support the removal of that roadblock so that Christian ranks can be united, or is there something else in return? If there is, what is it?

[Answer] Let me tell you once again that the unity of Christian ranks has to do with the Syrian presence in north Lebanon. It has to do with that factor more than any other. The rest of the factors are arguments and excuses that are put forth for other purposes and objectives.

Syria and Israel

[Question] What do you think are the conditions set by the Syrian regime for its withdrawal from Lebanon?

[Answer] Syria wants Lebanon to become a satellite revolving in its orbit, particularly with regard to foreign policy. Some people in Syria aspire to more than that. They want Lebanon to become an inseparable part of Syria in its politics, its military, its education and its society.

[Question] So much for Syria. Did Israel make a fool of us?

[Answer] Almost.

[Question] What does Israel want from Lebanon?

[Answer] Israel finds itself surrounded in the Middle East. It is important to Israel to find a state with which it can establish normal relations. This is what it wants from Lebanon. As far as security is concerned, Israel wants to ensure its northern borders so it would not be as vulnerable as it was before June 1982.

[Question] What do you think of Syria and Israel?

[Answer] They are both foreign countries. Our relations with them must be defined not on the basis of an ideological or philosophical principle, but rather in accordance with the requirements of the political game plan in the region. Our position toward them is political; it is variable and dynamic as the supreme interests of our people dictate. This means that if Syria were to guarantee us today the rights and liberties of our people, we would ally ourselves with Syria, and if Israel gives us more assurances about our people's rights and liberties, we will form an alliance with it. Our cause is the most important cause; it takes precedence.

[Question] There are several questions that are being asked. There is, for example, a question about the relationship between Samir Ja'ja' and the Lebanese Forces. It has recently been said that Samir Ja'ja' rebelled. There is also a question about the death of Ghayth Khuri, the chief of Jubayl district, in an area where Samir Ja'ja' was present.

[Answer] I will answer your questions one at a time.

Your asking me about the relationship between Samir Ja'ja' and the Lebanese Forces is like me asking you about your relationship with AL-NAHAR AL-'ARABI WA AL-DUWALI. It seems to me that your question is not being raised in the proper context. You are asking me about my relationship with the Lebanese Forces as though the forces were one thing and I was another. I serve in the Lebanese Forces, and I am a member of these forces.

[Question] I am asking about rumors of a rebellion.

[Answer] Rebellion against whom? I want everyone to understand once and for all that I am a soldier in the Lebanese Forces and an active member in the Phalangist Party. I am honored by that association and proud of it.

[Question] What is your relationship to the Lebanese state?

[Answer] It is the same relationship that the Lebanese Forces and the party have with the state.

[Question] What about the question of Ghayth Khuri?

[Answer] It is one of numerous fabrications that are being rumored against us. The intentions of all those people are no longer a secret to anyone.

[Question] What is the condition of the Shi'ites in Jubayl?

[Answer] It is normal and usual.

[Question] There is talk that schools will be closed in Jubayl in June.

[Answer] In the first place the school year in Jubayl ends in June. This is curious indeed! I am noticing that the press in West Beirut is talking about strange and curious things.

A Non-Existant Coup

[Question] It's been said--and that has been mentioned in some magazines--that you are in the process of making preparations with Ibrahim Tanus for a military coup against Amin al-Jumayyil.

[Answer] It would be more accurate to say that this subject was raised with Mishal 'Awn.

[Question] Mishal 'Awn and a few of Tanus's officers?

[Answer] Since this coup did not take place, that is evidence that it is non-existent.

Resistance in the South

[Question] I want to ask you an embarrassing question. What does Samir Ja'ja', who considers himself the defender of a united Lebanon, think about the Lebanese National Resistance which is fighting the foreign Israeli presence in south

Lebanon? Why don't we have a national resistance against the Syrians in the north or in al-Biqa'? Why don't we have resistance in the south against the Israelis whose presence is regarded by you as a foreign presence? Do you support Israel's or Syria's annexation of a part of Lebanon? Do you support the return of all Lebanese territory?

[Answer] We support the return of all the territory; there is no doubt about that.

[Question] Based on your conviction that all Lebanese territory is to be returned to Lebanon, what is your position toward the national resistance in the south?

[Answer] I support any action that would liberate the country's territory or part of its land. But I do not support operations that are not backed by the Lebanese. In my opinion operations against the Israelis in the south are not backed by the Lebanese. Their objectives are not purely Lebanese and nationalistic.

[Question] Why is that?

[Answer] Because those who carry them out are backed either by non-Lebanese organizations or by those whose motives are religious and Islamic. These organizations are not interested in what will ultimately happen in Lebanon as a result of these operations.

[Question] Has it been established then that those who carry out these operations are Lebanese groups?

[Answer] I said in my previous reply about getting the Syrians out of the north that Lebanon has to adopt the best methods available to it to regain all its territory from all foreigners. That applies to Israel too. What matters is that positive results that serve the interests of Lebanon be achieved.

[Question] Does this mean that you support the liberation of the south as that is being proposed?

[Answer] To be precise, I support the liberation of all Lebanon. I support the notion that no piece of our land be taken away. I support freedom for south Lebanon and its liberation from every foreign power. However--and it is this that is important--this freedom and liberation must be backed by Lebanese nationalism, not by Palestinian, Syrian or sectarian groups. If the Lebanese Resistance group in the south supports the principle of driving every foreign occupier out of Lebanon, why then does this group carry out operations against the Israelis in the south and bless the Syrian presence in the north?

There is one nationalism because there is one country, and foreigners are all those who are not natives of this land.

[Question] What do you think about the subject of the army?

[Answer] I think that individuals and officers in the army acted responsibly in

the past four or five months. We think that all members of the army who lost their lives during that period are undoubtedly martyrs of the Lebanese Resistance. By the way, I wish that Christian army officers, especially since they are the elite in this society, would abandon their traditional way of thinking. I wish they would stop thinking of themselves as employees in an organization because the situation is no longer one of employees and employment. I would like army officers to begin thinking and acting on the basis of the responsibility they have for a nation and a society. Their commitment to this nation must be as great as possible, and it must supersede all other considerations.

Support for Politicizing Society

[Question] Are you calling upon them to become a military party?

[Answer] I am calling upon them to assume their responsibilities, not to adopt a wait-and-see-attitude.

Let's talk a little about politics and politicians. It is unacceptable and unreasonable for current political practices to continue. These practices lack the minimum criterion for credibility and earnestness. It is regrettable that the vast majority of politicians don't know what is going on. And yet, they are the ones who make statements here and there and who deal with the crisis, negotiate and make decisions and plans.

I wonder why! If one of us wants to become an engineer, he goes to school for 4 or 5 years, and after that he works for 2 or 3 years before he can manage a small workshop. At the same time a man who manages the country's affairs and the affairs of its people has had nothing to do with the country or the people. He is a paralyzed man who lacks commitment; he is a man who does nothing and produces nothing.

Politics is a science in and of itself, and one may not deal in politics in such a frivolous, superficial and ignorant manner.

A politician must be knowledgeable about philosophy, religion, history, geography, strategic studies, military studies, economics and society. The political field is not the field for the unemployed!

[Question] Do you support the politicization of society?

[Answer] As much as possible.

[Question] What does that mean?

[Answer] That means I would look forward to having people in society who are aware, educated and committed as much as possible to humanity and society.

[Question] Let's go back to talking about the changes that are required in all areas. How much influence has Che Guevara had on Samir Ja'ja'?

[Answer] I have not read much of what he wrote, but I do read works by De Jardin.

[Question] Let's look now at the condition of the country as a whole. What must be done?

[Answer] Let's review now all the changes that are required in all areas in an attempt to overcome the situation that we have at the present time.

First of all, the strategic standards for political activity are absolutely unacceptable. The most compelling evidence for that has been the outcome of this activity. Let's review briefly what has happened since 1975.

In 1975 the Christians and Syrians formed an alliance, after which the Syrians entered Lebanon. But suddenly and unexpectedly, for reasons that we still have not understood, that alliance was scrapped. After that we came to an understanding with Israel, and that understanding lasted from 1977 to 1982. Then quite unexpectedly, as though by magic, when the agreement was to begin taking effect, the alliance with Israel was scrapped, and we formed an alliance with the Americans. That alliance was based on [our perception] that the United States, unlike Syria and Israel, was a large country and a great nation that had freedom and democracy. But after 5 or 6 months we began to curse the hour in which we had formed that alliance with the Americans. We accused the Americans of ingratitude. We said they had fled and left us in the lurch, and we said they were unreliable.

Is this what political practice should be like? Why is it that all countries can form alliances with each other and we are the only ones who cannot? Does this mean that all those people are stupid, and we are the only ones who are not?

Second, the backwardness of our socio-political practices has reached serious proportions. There is no planning, no vision, no organization and no sense of responsibility. Management is negligent, and supervision is non-existent. No one fears anyone, and everyone scares the poor citizens. The principal sin lies in the fact that the notion of social services or social justice has no place in our midst. Man ceases to exist in the absence of justice, and when man ceases to exist, the law of the jungle rules. This war will not end. As Christians, looking at matters from a Christian perspective, we must not let the war come to an end before total justice and equality are achieved by all members of our society. Operating schools is not a matter of charity; it is a duty. And hospitals are not luxuries; they are necessities for each individual. Housing should not remain a consumer commodity, and jobs must be made available to all those who want to work. Otherwise, our society will disintegrate from within. We are the ones who are responsible for the corruption; we are responsible for the negligence and backwardness in social services, and we ourselves are our own worst enemies: we are worse than our foreign enemies.

The Christian Revolutionary Impulse

[Question] What do you think about the fact that some people hope to turn Lebanon into a place like Las Vegas?

[Answer] In this regard I will talk about the economy as a whole. We have a dangerous theory of economics: it is a theory that promotes economics for economics' sake, like the theory of art for art's sake. In other words, the

economy, according to this theory, has nothing to do with society and man. Can our objectives, after everything that has happened, be nothing more than looking for the best possible ways to make a profit and to make money under the slogan of "strengthening the economy?" That is, won't our objectives go beyond strengthening the masters of the economy and financiers in the country? Can we do that without taking into consideration the condition of our society and its real needs and the condition of labor? Can we do that without taking into account the real needs of our people, the needs of our culture and the needs of our position as a whole? Is the only goal of our economy the continued steadfastness of financiers, even at the expense of other aspects of our public life?

It is urgent that we adopt a theory of the economy as serving society. We must renounce that theory of the economy for the economy's sake.

[Question] We've noticed that you have aspirations that are leftist, progressive, socialist, and Christian. [Is that true?]

[Answer] You can call these aspirations anything you want because in the final analysis the revolutionary Christian impulse is the principal revolutionary impulse from which all others have sprung. By the way, do you know that you cannot become a true Christian if there is one person in the most remote village in India who does not have food, or one person in New Zealand who does not have shelter? That is what true Christianity is about.

Do you know that true Christianity implies a serious, conscious and total commitment from man to society, the universe and history?

How far are we from this true Christianity? What are we committed to in this society?

We are committed to ignorance, futility, corruption, immorality, superficiality, selfishness, tribalism, materialism and nihilism.

You asked me before about the changes that are required.

This is what is actually required, and let everyone who can hear take note.

[Question] What is your motto in this struggle?

[Answer] "Thy will be done, On Earth as it is in Heaven."

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OMAN

GOVERNMENT SEEKS TO PROMOTE PRIVATE SECTOR

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 31 Dec 84 - 6 Jan 85 p 30

[Article by 'Ali Hashim]

[Text] The economy in the Arab Gulf countries is free, giving the private sector free movement to fulfil its role in development and accomplishing an economic and civilizational awakening. The Sultanate of Oman is one of the states of the Gulf Cooperation Council, and is following the same path. The Sultanate government has provided for the private sector the means for success, realizing that its existence is a condition for establishing the pillars of the economy on stronger and lasting bases.

In spite of the existence of oil, the Sultanate has realized that depending solely on it has its dangers and that it is necessary to diversify sources of income.

Shaykh Ahmad ibn Umayr, president of the Omani Chamber of Commerce and Industry, informed us about the accomplishments of the private sector and its outset, "The first 5-year plan (1976-1980) took into consideration the need for completing the infrastructure of the production framework and guiding and encouraging the private sector to invest in the production fields, such as agriculture, fishing, industry, mining, and stone quarries, in order to realize the plan, aimed at diversifying sources of income, and minimizing dependence on the oil sector. The government took many steps to achieve this, such as:

1. Issuing legislation which encourages investment in the production sectors, the most important being the law to regulate industry (1978) which exempts industrial installations from paying income tax and customs fees on their imports, and imposes customs fees on imports similar to those locally produced, and gives this production priority in government purchasing.
2. Establishing monetary organizations specialized in financing industrial establishments.
3. Executing the industrial area project in al-Rasil.

4. Issuing a law to regulate fishing.

The private sector responded to this plan and its investments increased from 122.5 million Omani riyals during the years 1971-1975 to 466.6 million riyals. Investments in commodities production increased from 72.5 million to 280.5 million.

Meanwhile, a royal decree was issued according to which 16 million riyals were earmarked to support the investments of the private sector in the areas of agriculture and fishery and in the areas of industry, mining and stone quarries.

The second 5-year plan expects that the investments of the private industrial sector will reach 331 million Omani riyals and 1,168,000,000 during the 5 years of the plan.

The size of the work force at the present time is estimated at a quarter of a million workers, local and foreign (150,000 workers in 1980).

Foreign Capital

About the participation of foreigners in the production projects, Shaykh 'Umayr said, "Indeed, such participation is on the condition that the projects in which there is participation be important for the national economy and that Omani participation in these projects is no less than 35 percent. It is also on condition that these projects need foreign capital and expertise, especially in the fields of industry, minerals, agriculture and fishery.

Among the factors which have helped in foreign capital investments are:

- The free economy, in that no limitations are imposed on reexporting the foreign capital or transferring its profit abroad.
- Decreasing the income tax of mixed companies in which Omanis have capital shares.
- Guaranteeing customs protection for local production.

As for Gulf capital, it has the freedom to participate in the industrial, agricultural, and animal resources projects (except fishing), and it is also allowed to carry out contracting, construct hotels, and perform maintenance, and that through companies established and registered in the Sultanate according to Omani laws and on the condition that the participation of Omanis in it should not be less than 25 percent of the capital.

Also, the Gulf citizens are allowed to practice the following professions: medicine, pharmacology, law, accounting, and engineering, including consulting which deals with administrative, economic, technical, agricultural, fishery, and industrial affairs.

The Economic Agreement:

Commenting on the Gulf economic agreement, he said: The talk about executing

this unified agreement of the Cooperation Council countries leads us to talk about what was mentioned in the questioning about the idea of tax exemption and the protection, and the prices of electricity, water, fuel, port fees, the size of the Omani market and its impact on the private sector activity.

In fact, these topics gained special importance after the beginning of the execution of the unified economic agreement because of its influence on the competitive situation of the Omani producer in the Omani market or in the other Gulf markets, since the most important article which has been executed until now is the elimination of the customs barriers between the council states, in essence exempting Gulf industrial, agricultural, livestock products and the natural resource products which circulate between the council's states at the present--and doing this with exact similarity. The elimination of the customs barriers means free competition between the Gulf products in the market, and this by itself is something new which we accept and welcome since we approve of the free economic system. However, this competition must provide equal opportunities for competition in which the more organized and more qualified in utilizing the resources which are available will prevail, and superiority is not the lot of whomever gets more support and better facilitations from his government.

From all this comes the importance of the points I mentioned, and from this comes the importance of unifying production input prices, the prices of public services, and the tax laws, and the various investment legislation within the framework of the Cooperation Council states, to open the doors for creating equal competition.

12527

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OMAN

MINISTER DISCUSSES AGRICULTURAL POLICY, DEVELOPMENT

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 24-30 Dec 84 p 35

[Article: "The Omani Minister of Agriculture: Our Concern Is To Accomplish Food Security"]

[Text] Agriculture represents the cornerstone in the policy of the diversification of sources of income which the Sultanate of Oman has followed and has been eager to execute. In spite of what has been accomplished in many fields in the way of realizing this goal, making food available or food security, still is a matter which occupies the mind of the authorities in the Sultanate, given the scarcity of natural resources as represented in the smallness of cultivated areas, their distant geographical locations, and the small range of pastures and their seasonality and as represented specifically in the weakness of water resources.

Engineer 'Abd-al-Hafiz Salim Rajab, the minister of agriculture and fisheries answered AL-NAHAR AL-'ARABI WA AL-DEWALI's questions about the difficulties which face the agricultural sector.

Land Cultivation:

[Question] The cultivated area at the beginning of the 5-year plan was estimated at 41,000 acres, and it was decided to cultivate another 900 acres, and to study and analyze another 100,000 acres. Has all that been accomplished by now?

[Answer] Until now, a general survey took place in order to choose the areas in which to conduct a detailed survey; after that, the focus was on an area of approximately 2,400 acres in the areas of al-Kamil, al-Waqi, Lirimi, and Wadi al-Qurayyat, and before the end of 1985 a precise survey of other areas will be conducted in the regions of al-Hufi, Wadi al-Batha', al-Batinah, al-Zahirah and the interior of Oman.

The main objective of the agricultural development plan is the increase of the land productivity by the intensification of production factors, and we hope that will lead to making food available for the Sultanate's inhabitants, and to lessening the import of food. This plan has already been realized within numerous activities:

-The ministry is surveying the soil and the water in al-Batinah, al-Zahirah,

interior Oman, al-Hawf al-Sharqiyah and the Salalah plain.

-The erection of a major dam which will help the retention of ground water in al-Khawd Valley; the length of the dam is 4.9 kilometers its height 8 meters, and its thickness 5 meters, and it is expected to retain from 3-5 million cubic meters of water annually.

-The ministry gives the farmer financial aid in order to get improved seeds, fertilizers, insecticides, and agricultural machines, and it sends qualified advisers to the areas. In addition to all this, the ministry offers loans for improving the land and purchasing tractors and water pumps, and it is helping to develop agriculture and livestock research stations at Salalah and al-Ruways, and also a center for honey research was established at al-Rustaq.

The Ministry of Agriculture allocated 22.24 million Omani riyals (approximately \$65 million) to maintain streams and wells in addition to continuing to search for new resources of water.

Numerous dam projects were completed, such as:

1. The al-Khawd Valley dam project in al-Saib will be completed at the beginning of 1985.
2. The Hilti Valley dam project in Suhar, which will provide around a million cubic meters.
3. The Saygham Valley dam project in al-Qurayyat Valley, which will provide around half a million cubic meters.

Advice Centers

The Ministry of Agriculture is interested in establishing centers for agricultural advice with units for veterinary services and quarantines. The ministry is interested also in fish production, which has given positive results since national production of fish was more than 100,000 tons in 1983. For this purpose, refrigerator complexes to preserve the fish and piers were established, and a full fleet was equipped to market the fish abroad.

Minister Rajab concluded by saying, "The ministry's efforts to accomplish agricultural development already has produced good results, keeping in mind that the agricultural investment needs a long time until it bears fruit. It is enough to point out that surveying the soil and the water takes years, and that building any dam needs many studies. We wish to see Oman as a green garment in the Arabian Gulf."

Exports of Omani Origin (In Omani Riyals)

Summer of	1981	1982	1983
Livestock	66,965	356,345	1,120,419
Fish	2,619,201	3,746,542	4,388,158
Flour	838,631	850,007	664,283
Fruits & Vegetables	402,848	412,133	332,585
Dates (fresh & dried)	284,403	363,820	315,272
Dried Lemon	2,163,323	1,493,056	1,251,081
Raw Tobacco	18,475	322,564	196,175
Other	132,087	193,062	429,103
Total	6,525,933	7,738,529	8,687,076

Maintenance of Streams and Wells

Year	Number of Streams whose maintenance was completed	Maintenance Expenses Million Omani Riyals	Number of Wells maintained and dug	Expenses Million Omani Riyals
1981	271	3.2	839	2
1982	234	2.1	687	1.9
1983	287	1.9	528	1.4

12527

CSO: 4404/167

OMAN

BRIEFS

FINANCING FOR JORDANIAN ARMS--The Sultanate of Oman will finance a French European arms deal for Jordan, whose total value is around 450 million Jordanian dinars. The deal includes French and Swedish helicopters, tanks and anti-tank missiles from other European sources. The first payment of 34 million dinars will be paid to the Jordanian treasury within a few days. On another area, the general budget in Jordan for the year 1985 reached about 820 million dinars, an increase of approximately 34 million dinars in comparison to last year, and the anticipated deficit reached 30 million dinars, which will be covered by cutting the expenditures, and improving the earnings, and domestic and foreign loans. What is striking about the Jordanian budget is the appearance of a stipulation to deposit all Arab aid in a special fund, its role limited to covering the non-current expenses for the Jordanian armed forces, that is, to buy arms and military equipment. [Text] [London AL-HAWADITH in Arabic 28 Dec 84 pp 8-9] 12527

CSO: 4404/167

SAUDI ARABIA

CROWN PRINCE OBSERVES MILITARY MANEUVERS IN SOUTHWEST

Riyadh AL-YAMAMAH in Arabic 13 Mar 85 pp 19-21

[Article: "The Crown Prince in the Tactical Exercise 'Lion's Den':
Embodiment of Force for a 'Strong' Situation"]

[Text] In the middle of this week, AL-YAMAMAH's delegation witnessed a heated battle in which a number of various forces took part, their parties competing with one another in the use of concentrated fire and missiles and exercise of the most modern systems produced by war strategies. The battle was large but it was also different in its results; contrary to [other] battles, it did not produce winners and losers; everyone in this battle won! We assume that you have learned what we are talking about; this is the last stages of the tactical exercise "Lion's Den," which the advanced forces of the National Guard carried out. It was completed under the supervision of His Royal Highness Prince 'Abdallah Ibn 'Abd-al-'Aziz, the crown prince, deputy prime minister and head of the National Guard in the middle of this week.

The talk about the maneuver leads us to a related subject, namely the development of the National Guard in terms of role, armament, and qualification.

Some years ago the National Guard consisted of nothing more than combat forces. These forces played an important role in consolidating the foundations of this entity. Everyone knows the importance of this role. The guard continued to be called the Holy War Contingent Bureau until 1954. That year, a royal decree was issued changing the name to the National Guard, and His Royal Highness Prince 'Abdallah al-Faysal was chosen the first head of the National Guard.

He was followed by His Highness Prince Khalid Ibn Sa'ud Ibn 'Abd-al-'Aziz, then His Highness Prince Sa'd Ibn Sa'ud Ibn 'Abd-al-'Aziz; then, in 1963, the great takeoff of the national Guard began with the appointment of His Royal Highness Prince 'Abdallah Ibn 'Abd-al-'Aziz as its chief, since his highness aspired to an ambitious plan which began with a thorough study and wise planning which has continued to this day, to turn the National Guard into a civilized institution.

The National Guard is no longer just an army; rather, its role has transcended this limited notion and it has been expanded. Development projects have been established for the National Guard which have included medical sectors, such as the King Khalid Hospital in Jiddah and the King Fahd Hospital in Riyadh, not to speak of treatment clinics. In addition, housing projects have been established

to lodge people who belong to the guard, the role has extended to the educational area through the opening of National Guard Schools, and efforts to administer it under guidance from his highness the chief of the National Guard, and his assistant His Royal Highness Prince Badr Ibn 'Abd-al-'Aziz, in the area of the elimination of illiteracy are too great to enumerate.

The National Guard, if the truth be told, has become a unique experience in the third world, one which is repeated rarely, and a shining light on the forehead of this nation.

None of this would have come about had it not been for God's care and conciliation, then the attention which His Majesty King Fahd Ibn 'Abd-al-'Aziz, his highness his trustworthy crown prince His Royal Highness Prince 'Abdallah Ibn 'Abd-al-'Aziz and his highness the assistant chief of the National Guard, His Royal Highness Prince Badr Ibn 'Abd-al-'Aziz, devoted, because their cogent directives and persistent acts of followup caused these multifaceted civilized dimensions of the National Guard to bear fruit, and it became a beacon of civilization in the depths of the desert.

Let us go back to the talk about Lion's Den. This maneuver, which is to be considered the seventh exercise of its kind of National Guard forces, was held with the goal of testing the fighting capability of the National Guard forces and learning to what extent these forces had mastered training programs and advanced weapons. This exercise occurred in continuation of the previous exercises, which were held in the course of the past 6 years — Good Beginning in 1979, Sunrise in 1980, Peninsula Hawk in 1981, Armor in 1982, Dove in 1983, Star in 1984 and finally Lion's Den, about which we are writing these lines.

These exercises, as we said before, have the goal of learning about the real tactical resources of the troops and officers of the National Guard, after a year of training, since tactics, rapid mobilization, accurate supply and strong communications have been first and last the basis of the strength of armies in all ages.

These exercises are basically held on the assumption that there is an illusory enemy and the setting out of an offensive or defensive plan to test the competence of combat units and auxiliary units, such as supply. This plan is set out on the basis of information the military reconnaissance agencies are supposed to provide or information the citizens give when they observe the enemy. The teams taking part act on the basis of this information, backed up by heavy artillery, rocket missiles, armored and reinforced equipment, and airplanes, in order to deter the hostile forces and then to rout them.

These exercises, and their equivalents, are not just of use to troops and officers — they are also useful to the command, since they are generally run on territory which in terms of geography and rough terrain differs from that on which the previous ones took place, with the goal of accustoming the command to setting out suitable plans for all circumstances and fronts. During these exercises new classes are normally graduated. The command of the second motorized brigade graduated during Lion's Den; the graduation of such a command during

a massive tactical exercise such as Lion's Den undoubtedly endows the people in it with high combat expertise.

These seven tactical exercises which have taken place in an atmosphere resembling that of real battles have proved that the National Guard has reached an advanced stage of expertise and domestic competence which has enabled it to draw up its plans, operations and training through domestic manpower. These maneuvers took place with 100 percent domestic planning, training and execution, the aid of no foreign expertise was sought, and they all realized a success which exceeded the expectations which had been made in advance.

Credit for this is to be attributed to God, then to the upright policy which His Highness Prince 'Abdallah Ibn 'Abd-al-'Aziz had been concerned to draw up in the course of his command of the National Guard, by raising the slogan "man first of all," since his highness has always been concerned to apply this slogan out of sincere conviction that man is the source of strength and coherence just as he is the source of collapse and disintegration. Therefore, his highness' directives were given to the effect that it was necessary to qualify and train the men in the National Guard in order that they would be able to master the most modern weapons; in order to realize this goal, modern military schools and colleges were established where individuals study strategy of modern wars or electronic wars.

Here we should not miss a chance to point out that the members of the National Guard are not just prepared in the military sense, with the goal of mastering these weapons, but that these members are instructed and educated to keep their preparation as persons on a level with their preparation as soldiers. Therefore, enriching the academic and practical education of troops and officers is a continuous process which does not stop, through the education, training and specialized basic courses which are in keeping with his majesty the crown prince's plan to modernize and develop the sectors of the National Guard, one of whose most prominent features has been the transformation of traditional infantry units into mechanized infantry units.

The competence of National Guard troops and officers which manifested itself during the Lion's Den exercise and the exercises which preceded that are indeed a source to inspire pride in every citizen who is devoted to this nation. The citizen has the right to be happy and proud as he sees these fighting forces and defenders of the nation succeeding in rising above the challenge and mastering the most modern advanced military plans and technology, asserting that the people of this land, with God's help, are able to protect its security and borders and preserve the gains of its people.

The honor of the presence of his highness the crown prince at the final stages of this exercise is proof of his highness' interest in and constant followup of everything which will have the effect of realizing benefits for this country, with its various sectors, including the National Guard.

It is perhaps a fortunate coincidence that the Lion's Den exercise occurred at the same time as the upcoming celebration by the National Guard's King Khalid Military College of the graduation of the first class of students bearing the bachelor's degree in military science. The graduation of this class will constitute a new stage in the development of the National Guard, since the develop-

ment of the guard sectors, as Col Mut'ib Ibn 'Abdallah Ibn 'Abd-ul-'Aziz, commander of the King Khalid Military College, told AL-YAMAMAH some months ago, is a dynamic continuous process which is keeping abreast of the development of the tasks and the roles the command of the country has assigned to its people and its troops in the National Guard.

This exercise and its likes remain a bright spot in the history of the National Guard and testimony to the ability of the Saudi soldier to deal with new developments in arms, science and modern military systems.

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CSO: 4404/286

SAUDI ARABIA

MEDIA OVERSEER DISCUSSES EXCESSES OF LOCAL PRESS

Riyadh AL-YAMAMAH in Arabic 13 Mar 85 pp 78-81

[Interview with Prince Turki Ibn Sultan, Supervisor of Information Ministry, Foreign Media Press Department, by Salman al-Ma'arri: "The Number of Local Papers Exceeds Requirements!"]

[Text] This is a rich conversation about the media, media affairs, the press and its concerns which shows the Press Department's interest in the press and the role of the censor, and shows what the department can offer to the Saudi journalist and the nation around him, what problems and obstacles there are, and what is new within the Press Department. Many questions arose in this conversation, so that this educated media figure, His Royal Highness Prince Turki Ibn Sultan, the supervisor of the Foreign media's Press Department in the Ministry of Information, could respond to them.

Monitoring Everything Published in the Arab World

AL-YAMAMAH: Your highness the prince, how is the process of supervising the Press Department carried out in the Ministry of Information?

His highness the prince: Here I would like to state that the Foreign Media's Press Department consists of the Arabic Press Section and the Subscription Section. There also is a press archive section. The Press Department is one of the major departments in the Foreign Media [Bureau]. One responsibility of the Arabic Press Section is to monitor everything published in the newspapers in the Arab world, and it has no relationship with the local, Saudi press.

The Censor's Role

AL-YAMAMAH: What exactly is the censor's role?

His highness the prince: The role of the censor in the Arabic and Foreign Press Sections can be summarized in the following:

The role of the censor in the Arab Press Department is to follow up on everything published in the newspapers and magazines issued in the Arab world and outside the Kingdom in Arabic, to take clippings of them and present them to the competent body, especially those related to the Kingdom of Saudi Arabia, so that it can make

a weekly report on every journal and a monthly one on every magazine, on the subject of their treatment of the Kingdom of Saudi Arabia and the general policy it follows, for presentation to the competent body, and to keep a copy of all the newspapers, magazines and publications which come to the department.

The role of the censor in the Foreign Press Department is to perform the work of translating everything the foreign newspapers and magazines publish on the kingdom, in addition to the steps above, which are related to the Arabic Press Section.

The Editor in Chief in a Position of Responsibility!

AL-YAMAMAH: Some people consider that the pen of the editor in chief is heavier than that of the censor and that there is hidden censorship of the press through the editors in chief. What is your view?

His highness the prince: The editor in chief must be up to the responsibility cast on his shoulder in the context of our tolerant Islamic law and our upright policy because of the important leadership role our press possesses. The newspapers are the mirror of the nation. Therefore, they must be a model in every respect, represented by the editors in chief. As far as the role of the Ministry of Information goes, that is to guide, direct and provide information materials.

Our Press Includes Notable Papers!

AL-YAMAMAH: What is your evaluation of the Saudi press, relative to its Arabic counterparts?

His highness the prince: God be praised, the Saudi press is considered to include some of the notable, important papers of the Arab world, since the Saudi papers have grown and developed thanks to the support of the government of our lord his royal highness the king. They have a central position in terms of quantity and quality. The Saudi press has advanced in all areas and fields of specialization and is now circulating in all areas of the world.

AL-YAMAMAH: What are the positive or negative features of the Saudi press?

His highness the prince: The positive features of the Saudi papers are many; perhaps one of the most important of these is the commitment to the sound policy based on application of Islamic law, as well as the provision of news services in a most accurate, honest and comprehensive form. In addition, there are many specific types of daily papers, weekly magazines and specialized scientific, cultural and literary magazines which are good and diverse. As far as the negative features go, these may be restricted to the technical or printing aspects, which are things that can be eliminated by close attention to accuracy, truth and honesty, as well as the absence or lack of clarity of photographs in some papers or magazines, a normal thing as well which can be eliminated if the Saudi press and the reader join efforts.

This Is Not Correct!

AL-YAMAMAH: How can the department be satisfied with Arabic papers coming into the country regarding subjects it is not satisfied with as far as the Saudi papers go?

His highness the prince: It is not true that the Press Department is satisfied with Arabic papers coming into the country regarding subjects it is not satisfied with in the Saudi papers, although I wish that all Arabic and Saudi papers and magazines would show concern for accuracy, truth and honesty in everything they publish and avoid press vituperation and false propaganda which does not benefit the reader or serve the goal sought for from the press, or not to talk about the yellow press, which has material profit as its goal -- papers which rely on provocation and enticement and also have the goal of destroying religion, habits and traditions and spreading corruption among Islamic societies.

This Is What We Are Offering the Saudi Journalist

AL-YAMAMAH: What can the department offer the Saudi journalist?

His highness the prince: It can offer him all the information he wants, which is to be found in the press archives in particular. The ministry is not stingy with Saudi journalists, either, in offering them all the necessary facilities at conferences, symposia and annual conferences, for instance the pilgrimage, periodic conferences and lectures. The ministry does not hesitate, either, to give advice, guidance and direction if it is requested to do so.

We Have Performed This Role!

AL-YAMAMAH: We know that public opinion in every country in the past 10 years has become the inspiration of diverse elements, including people concerned with religious, economic, commercial, cultural, political, technical, military and other affairs. To what extent have the Saudi media managed to bring the kingdom a true picture regarding these elements outside the nation, in your highness' opinion?

His highness the prince: That is a sound question and an intelligent one at the same time. A person following the newspapers, magazines and other media such as radio and television can realize the intensified media campaigns in all the areas you have mentioned in the domestic and international contexts as they took place and the media committee carried them out in Singapore and Los Angeles through the elected Saudi soccer team. There also is another example of this role in the transmission of the facts of the kingdom's acquisition of the agricultural certificate in the agricultural area, as well as the cultural area, when His Royal Highness Prince 'Abdallah al-Faysal received a cultural medal in Paris.

We Are Still in the Growth Process

AL-YAMAMAH: What are the problems facing you and hindering you in carrying out your work in the desired manner?

His highness the prince: There are no problems or obstacles facing us or hindering us in carrying out our work. All that this involves is that we are still in the process of growth. The media field is still in the stage of experiment, because of the newness of media studies. In addition, the Saudi media still lack this media expertise. I would also like to assure you that, praise be to God, we have preceded many countries in this media field and in communications. In

addition, the Arab satellite was launched in the past few weeks, and this will to a large extent help aid the Arab reader and viewer improve the means of communication to the extent to which benefit has been derived from this great achievement.

The Number of Papers Is Excessive!

AL-YAMAMAH: Does your highness believe that the present number of Saudi papers is enough to deal with the development the kingdom is witnessing in all fields and is in keeping with the volume of readers, in terms of quantity and quality?

His highness the prince: Yes, I believe that the current number of Saudi newspapers is enough, indeed is excessive. The lesson is not in quantity, because in the modern era the reader does not have the time to read long articles or pages of reports, not to speak of daily papers, which inclined toward succinctness or what is called a smorgasbord packed with precise figures and statistical data with specialized literary, cultural and social magazines added to it.

The Press Organizations Statute -- And!

AL-YAMAMAH: Every human system has benefits and faults which are apparent with the passage of time through application. A long time has passed in the course of the press organizations statute experiment. Have foreseeable results been the official bodies' evaluation of this statute? What elements does your highness consider should be included in this statute so that it can keep abreast of the cultural development the kingdom is witnessing, as well as the new factors on the Arab and Islamic stage?

His highness the prince: The question has two segments. In answer to the first segment of the question, which is whether foreseeable results have been realized from the official bodies' evaluation of this statute, the fact is that there are studies on the press organizations statute and they are still being studied by the higher information council, which will be announced once their study is completed. As for the second segment of the question, which is what the elements and new factors are, that question is premature; when the study is specified and the picture becomes clear, there will be elements and new factors.

The Distinctive Media Presence!

AL-YAMAMAH: The distinctive, organized media presence in the United States, which your highness supervised, on the basis of my information, has had a good effect on some individuals in American society and some of its organizations. What is your highness' comment on that? Is there an intention of repeating this and continuing with it?

His highness the prince: In fact, the beginning occurred in the chairmanship of the media committee in Singapore, as I mentioned in a previous question. I benefited from this media experience, since his highness the minister of information gave me confidence, and there was an incentive to obtain good results in the media context. This experience was repeated in Los Angeles, where I headed this media conference; once again, with directives from his majesty the king, may God preserve him, I took charge of the media committee in Los Angeles, with the following activities, including the preparation and publication of announcements on the resurgence of development and industry in our good country over the

American television station ABC as well as the holding of Saudi exhibits in some American hotels, participation in a group of artistic and folklore activities such as people's arts and artistic reviews, the holding of a number of conferences, symposia, meetings and gatherings, the preparation of ongoing lectures with top people in the media, and also the preparation and publication of journalistic investigations on the Kingdom of Saudi Arabia and the provision of a group of cultural and informational books on the comprehensive resurgence in the Kingdom of Saudi Arabia and the provision of reading rooms. The media committee took charge of the necessary facilities for representatives of the press and international, Arab and Saudi news agencies. There were daily dispatches from correspondents of Saudi papers in Los Angeles. God be praised for this success, and I have great hopes that this sort of good opportunity from which we can benefit in order to learn about international public opinion concerning the comprehensive resurgence our beloved kingdom is passing through will be repeated.

This Is What Is New in Our Regard!

AL-YAMAMAH: What is new in your regard and has not yet been announced?

His highness the prince: In fact, there are many new things. In the Press Department there is a study on the notion of introducing the microfilm system into the press archives in the case of the Arab Press and Foreign Press Sections. There also is a study on the creation of an information bank and a study on the development of our administrative and media agency in this department, as well as the use of training courses in this field and domestic and foreign delegations.

They Do Not Affect Other Sections

AL-YAMAMAH: It has been observed that our Saudi press devotes numerous pages to art and sports at the expense of other important sections. What is your highness' view about that?

His highness the prince: This is a natural result and the reason is that if we look at the population of the Kingdom of Saudi Arabia we will find that thousands of homes are full of young people, and, while this conclusion applies to the population of the third world and young people, by their nature, are inclined toward activity and art, this, in my opinion, does not affect the level of the other sections, especially since there are up to 32 pages in some papers, to a number of papers in the Western, Eastern and Central Province either.

AL-YAMAMAH Does Not Need Praise from Anyone

AL-YAMAMAH: What question which we have not addressed to your highness is going about in your mind?

His highness the prince: There are many questions which have gone about in my mind, perhaps the most important of which has been my personal opinion about the journalistic magazine AL-YAMAMAH, which does not need praise from anyone and has established its place in the world of the Saudi press. In my view it is the best Saudi magazine, because of its distinctiveness from the other magazines and its unique possession of individual independence.

AFGHANISTAN

MORE THAN 12,000 VILLAGERS ENGAGED IN DEFENSE OF REVOLUTION

Kabul DEHQAN in Dari 3 Mar 85 pp 1,7

[Text] Upon the realization of the goals of the glorious Sawr revolution, the nation's brave and courageous people, whether farmers, workers and toilers, have all become mobilized around the PDPA and the revolutionary government in order to implement the ideals of the revolution and to make Afghanistan prosper. In order to defend the revolution and its achievements, they have not only joined the armed forces but have also organized the revolution defenders groups, and are defending the achievements of the revolution and their own villages.

According to a source at the General Directorate of Revolution Defenders Groups at the Public Security Department of the Ministry of Interior, the number of persons in the defenders groups reached 14,230 during the 1982-1983 year, and now it has increased to 24,514 persons, 1,498 of them are women and the rest men. It should be noted that the defenders groups are made up of 12,118 farmers, 2,099 male workers, 161 female workers, 350 clergymen, 1,082 male officials, 157 female officials, 3,470 male students, 247 female students and 934 housewives. In addition to their own basic duties, these capable forces are responsible for security in the villages, public facilities, security points, and in the country's sub-districts, districts, provinces and capital. They are organized into 313 units and 861 groups. Of these, 15,093 carry out security duties in 1,012 independent security posts, 4,607 persons are engaged in 449 joint posts, 2,635 persons in 201 facility guard groups and 2,129 persons work in 162 armed patrol groups.

In the revolution defenders groups 5,010 persons are honored with basic or trial membership in the PDPA, 4,909 persons work in the Democratic Youth Organization, the Quality of Life Organization, and the Concerned Persons Group. This armed social force, as a result of their patriotic activities, from December 1982 up to the present has independently and decisively repelled 11,320 enemy attacks. It has participated in 8,072 combat and propaganda operations both independently and jointly. As a result of the operations by the revolution defenders groups, in addition to crushing the counterrevolution activities, they have also attracted 15,920 persons to the sacred military service. Through their efforts 1,153 weapons of various kinds, large quantities of ammunition and transport equipment such as cars and motorcycles, and 1,544 propaganda publications worth more than 3,000,000

afghanis have been discovered and seized as well as some smuggled goods and 119 kilograms of narcotics.

Due to the valor and heroism of the revolution defenders, 3 individuals were awarded the Third- Class Star medal, 33 persons were awarded multi-service medals, 28 persons awarded sustained service medals, 11 persons were awarded leadership medals, 110 persons were given cash rewards, 42 persons were awarded goods, 55 persons were honored with officer rank, and 161 persons were sent to educational courses both at home and abroad.

9597

CSO: 4665/63

AFGHANISTAN

OVER 200,000 ENROLLED IN KABUL SCHOOLS

Kabul HEYWAD in Dari 6 Mar 85 p 1

[Text] Yesterday, March 6, the new school year for the schools in the capital and the provinces having cold climate began with the indescribable revolutionary enthusiasm of students and teachers.

With hearts brimming with joy and hope for further victories and successes in the future, students started off for schools in groups and congratulated one another on their successes in the schoolyards.

At the schools the atmosphere was full of joy, sincerity and happiness, and waves of happiness beat in the hearts and lighted the faces of all. In the yards of most of the schools joyful shouts rang out, and glorious meetings and splendid concerts were held.

HEYWAD's correspondent visited some elementary and high schools, such as Zoleykha, Shirinow, Kartah Ariana, Kartah Parvan, etc., and prepared the short report which follows:

In Kheyrkhanah High School a large meeting full of affection and love for the nation was held, and all the listeners were aware of it. The principal of the school said: There are 3,296 students in 60 sections being taught by 91 professors at this school. This school absorbed 1,467 eighth-grade graduates for the new school year, and graduated 240 students from twelfth grade last year.

Zomri, a student at the aforementioned high school, said: I am grateful to my teachers that I passed to a higher grade as a result of my efforts and those of my teachers. Of course, the pursuit of our studies and achieving success is a path which will prepare us with greater awareness and knowledge to serve the nation, the revolution and the people.

Students also began their studies with abundant enthusiasm at the schools of Shirinow, Kartah Ariana, the Kartah Parvan Middle School and Zoleykha. Meetings and concerts also were held in these schools, and the teachers were busy organizing the newly accepted students with revolutionary enthusiasm.

Shirinow school has 185 new students and Kartah Parvan Middle School has absorbed more than 600 new students, and this process is still continuing. The beginning of the school year was also celebrated in these schools.

Hamidah, one of the students, in a conversation said: Today is the ultimate happy and joyful day for me because my parents and relatives are also happy about my success. Today, they participated in our happy celebration--the beginning of the school year. I am hopeful that by the guiding light of the sublime values of the glorious Sawr revolution I will be able to become a useful and active member of the nation and the people by getting an education.

Homayun Ghafari, Kabul's chief of education, who was one of the speakers at the Kheyrkhanah High School meeting, expressed his happiness in participating in the happy celebration of the students and the new school year, and said: Our revolutionary party and government are making unflagging efforts to provide a good education for all the country's citizens so that all of the people can gain knowledge. He added: In the new school year, which begins today, 24,000 new students have been absorbed in the first grades of Kabul's elementary schools, and this fact confirms the interest of our people in educating their children.

In conclusion, he said: Presently we have 8,357 experienced and skillful teachers teaching 229,268 students in 123 elementary and high schools in Kabul. All of these schools are equipped with modern educational equipment, laboratories and other educational necessities, and the students are busy studying there with abundant interest.

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CSO: 4665/63

AFGHANISTAN

FERTILIZER, WHEAT DISTRIBUTED TO FARMERS

Kabul DEHQAN in Dari 3 Mar 85 p 1

[Text] According to a report, more than 25,677,000 afghanis worth of chemical fertilizer, wheat seed and agricultural equipment have been distributed to the farmers and fruit-growers in Kandahar Province in the form of loans and cash during a nine-month period of this year.

During this period, 1,497 tons of chemical fertilizer worth 13,351,160 afghanis, and 150 tons of wheat seed worth 1,667,700 afghanis was distributed to the province's farmers and fruit-growers.

Furthermore 10,657,000 afghanis worth of agricultural equipment and agricultural herbicides were made available to the farmers and fruit-growers in the form of loans and cash.

According to Another Report

A consumer cooperative called Hanzellah Badghisi in the Abgarmak village near the capital of Badghis Province was recently inaugurated with proper ceremonies.

140 persons have registered in this cooperative. An official source in Badghis Province said that an amount of 70,000 afghanis had been collected from cooperative membership fees.

9597

CS0: 4665/63

BANGLADESH

ERSHAD SPEECH OPENS SEMINAR ON MIDEAST

Dhaka THE NEW NATION in English 29 Mar 85 pp 1, 8

[Text]

The President and Chief Martial Law Administrator, Lt. Gen. H.M. Ershad, yesterday reiterated Bangladesh's unequivocal support to the inalienable right of Palestinians to self-determination including their right to have a state of their own in their homeland under the leadership of PLO, reports BSS.

The President was inaugurating a seminar on "peace in the Middle East is in the world's interest" held under the auspices of Asian Lawyers Legal Inquiries Committee at a city hotel.

The function was also addressed by the Information Minister Mr A. R. Yousuf and the Editor of the Daily News, Mr Obaidul Hoq.

President Ershad said Bangladesh always considered that any just and lasting peace in the Middle East could be achieved by accepting that the question of Palestine lie at the heart of the crisis and with the withdrawal of Israel from all occupied Arab territories including the holy city of Al-Quds Al-Sharif.

He said it is on the basis of this principle that the continued intransigence of Israel and her relentless and blatant flouting of UN efforts and resolutions in this regard in defiance of world opinion had to be resisted.

President Ershad referred to the Camp David agreement and efforts by UN, OIC and non-aligned movement to find a solution to Middle East crisis and said all went in vain due to illogical and intransigent attitude on the part of Israel. In this context, he told the

conference of the Arab peace plan which had been strongly supported by Bangladesh as a means to attain peace in the area.

The President also told about the recent initiative taken by King Hossain of Jordan for peaceful settlement of the Middle East problem and said, this initiative supported by the Palestinians called for consideration with due importance.

He described the topic of the discussion as significant in the backdrop of present day world affairs specially the unsolved Middle East crisis. He said if this trend continues, mankind would head for a catastrophe because forces opposed to the Middle East countries had in their possession such destructive weapons which in case of breaking out of an allout war would not only pose threat to this region alone, but also to the other countries of the world.

President Ershad observed that peace in Middle East is an imperative for the existence of the world and said despite all efforts no positive progress could be attained as yet with regard to the Middle East problem which was the creation of various historical, geographical and political circumstances.

He said the tragic episode of the Middle East drama had witnessed its development through a series of sad events like infamous Balfour Declaration, the subsequent creation of Jewish state of Israel by displacing Palestinians from their homeland, hurried withdrawal

of British authorities from Palestine, the wars of 1967 and 73 and Israeli invasion of Lebanon and expulsion of PLO from that country in 1982.

The President traced back the historical background of the Middle East and said the Zionist state of Israel was created in clear violation of the natural and inalienable rights of the people of the land who inhabited the area for thousand years. During the subsequent years the Zionist regime perpetrated new acts of aggression through annexation by force of additional Arab territories and unleashing a reign of terror, death and destruction. As a result, there are today four million Arab Palestinians living in exile and more than six and a half lakh are languishing in over crowded camps scattered across the Middle East, he said.

President Ershad was critical about the Israeli measures to change the physical, demographical and cultural characteristic of the occupied area including the holy city of Jerusalem through the establishment of illegal Jewish settlements and said Bangladesh cosponsored a resolution in the United Nations which was accepted declaring all Israeli measures in this respect as illegal and null and void.

He said Bangladesh would continue to play a constructive role in contributing towards an

early restoration of the inalienable rights of the Palestinian people and to pave the way for a durable peace in the Middle East.

The President said Israel is today on the dock in the court of world conscience and the verdict of the court is very clear. He hoped that the deliberations of the seminar would be able to provide a guideline towards the establishment of peace in the Middle East.

He concluded his speech wishing a better, peaceful and prosperous world for all.

The function was attended among others by the DCMLA and Minister for Industry, Air Vice Marshal Sultan Mahmud, ministers, diplomats and prominent lawyers.

Speaking on the occasion, Mr A R Yusuf, pointed out that a just and rightful solution to the Middle East problem could be had through the establishment of a separated state for the Palestinian people.

The Minister described the Middle East problem as an international conspiracy which was hatched to disunite the Muslim world. Continuing, he said, first the Muslim world was divided drawing a line between Arab and non-Arab states followed by creation of an artificial socialist and non-socialist Arab states.

He said creation of the Jewish state in the heart of the

Muslim world was to disturb peace in the Arab world. The wishes of the interested quarter had been fulfilled, he said adding, so there is misunderstanding, mistrust and even war have gripped the Muslim world.

The Information Minister said that peace in the Middle East was essential for the peace in the whole world. He said that while there had been no peace in the developed nations they had been preaching peace abroad.

He also called for returning back the territories occupied by Israel and also the holy Baitul Mokaddas.

Mr Obaidul Huq in his keynote paper said that in Lebanon peace meant no more than a very temporary lull in the storm. Beirut, once its beautiful capital, was now a debris and the dead.

He said that ever since Palestine was immorally, illegally and forcibly occupied by Israel, both peace and Palestinians had been languishing in exile. The Israelis, he said, were planted in 1948 more as trespassers, aggressors and usurpers than as acceptable settlers mainly to keep the Middle-eastern cauldron simmering.

Mr Huq pointed out that the Organisation of Islamic Conference (OIC) would be able to find out a durable peace in Muslim world.

BANGLADESH

PAPER REPORTS STATESMAN INTERVIEW WITH ERSHAD

Dhaka THE BANGLADESH TIMES in English 30 Mar 85 pp 1, 8

[Text] The President and Chief Martial Law Administrator, Lt-Gen H.M. Ershad, has said that the two main opposition parties--Awami League and BNP--had "committed their worst blunder" by boycotting the April 6 parliamentary elections, reports BSS.

In an interview with the leading English daily of India 'The Statesman' which published it in its March 23 issue simultaneously from Calcutta and New Delhi, President Ershad wondered how an established and experienced party like the Awami League and BNP could boycott elections. Both the parties were extremely short-sighted, he observed.

The President regretted that the Awami League had fallen into the "clutches" of small left radical parties which were all partners of its 15-party alliance. The small partners of Awami League, he went on to say, knew that they would not be able to win a single seat in parliamentary polls. Their only interest was to utilise the Awami League or the BNP platform for propagating their political cause, he noted.

The President said, "I am sorry to say that the leaders of these two major parties could not come out of the clutches of the radical partners of their alliances. The Awami League could have talked to them from the position of strength. Instead it yielded. It had been voted to power twice. It now lacks political acumen and leadership qualities."

In his post-referendum interview with "The Statesman," President Ershad said that the massive mandate he received in March 21 referendum had strengthened his hand in running the country.

He made it clear that the mandate was not meant to prolong his rule indefinitely, but only till the elections are held. "The door is open for the restoration of democracy. If they (opposition) love democracy they will have to contest the elections," he added.

Referring to concessions given to opposition, the President in his interview pointed out that "no Martial Law regime in the 62 countries, where it is in force, has given so many concessions to the opposition as I have. I

conceded 46 of their demands. Yet they would not agree to the elections. When I relaxed Martial Law, I was the Chief Martial Law Administrator only in name. The opposition thought that I was making concessions because I was weak. I could give them concessions only because of my strength. They misinterpreted my sincerity and goodness as my weakness."

President Ershad said that the objective of their 5-point demand was not restoration of democracy, but to bring about chaos and confusion in the country." The most unfortunate trait in our politics is that if an opposition party supports a good and well-intentioned move of the Government, it is at once branded as collaborator," he said.

The President told the interviewer that Begum Zia had made certain unreasonable demands which could not be accepted. "How could I accept her demand that the nine former BNP Ministers, convicted and imprisoned on corruption charges and debarred from taking part in the election under the Constitution, be allowed to contest the polls? The corruption charges were framed against them by her late husband. I had nothing to do with it. Moreover, how could I compromise with corruption?"

The President said that he would favour a consensus with the opposition on such basic issues as fixing national priorities and making policies and ethics the basis of politics.

CSO: 4600/1495

15 May 1985

BANGLADESH

SUPERPOWERS URGED TO HELP BETTER AREA RELATIONS

Dhaka THE BANGLADESH OBSERVER in English 21 Mar 85 p 5

[Editorial]

[Text]

The reported US efforts towards helping improve relations between India and Pakistan are among the recent signs encouraging hopes, among the other neighbours of India, for a change for the better in the overall intra-regional relationship. Over recent years, particularly since the tragic event of Mrs. Gandhi's assassination on October 31, 1984, such an external initiative has been more perceptibly in focus and this for understandable reasons. There has occurred a renewed exacerbation of relations between Pakistan and India over the US aid in arms and money extended to Pakistan. An accentuating element in the relations has been the alleged encouragement received by the Shikh extremists from Pakistan. In the background, however, lies not only Pakistan's denial of the Indian accusation but also a persistence in seeking good relations with India to which Rajiv Gandhi's or his government's response has not been discouraging. Prospects of the process of improved relations, potentially under way, can be expected to be driven into really fruitful exchanges with good results in the coming days.

What is of equal importance to the geopolitical situation in the subcontinent is better relations also between India on one hand and her smaller neighbours on the other. Among the latter are, for instance, Bangladesh and Sri Lanka—to mention the two countries with which India has problems that are yet to be settled to help stabilise bilateral good relations. The reason why we have introduced this aspect of the regional spectrum into the present context is, first, because the outstanding disputes between the countries concerned and India have eluded a satisfactory solution on their own initiatives or through negotiations. The reported initiatives from the United States, for instance, might be expected to include active moves towards

strengthening the chances of good relationship between India and her neighbours through a just resolution of the disputes at issue. In fact, in common with the US other big powers, particularly the USSR, could also do its bit towards such rapprochement to be worked out in the subcontinental relations. This is an expectation supported by the assumption that both the US and the USSR have long been associated with the subcontinent with a good deal of interest in their economic and socio-political development. What has been missing, however, over the years so far as the smaller, weaker neighbours of India are concerned is the much-needed big power leverage towards the improvement of relations between the subcontinental neighbours. And the fact that one super-power or the other has more limited their help or interest to a particular country without regard to the reactions or repercussions in the other countries has done not a little to let the overall situation remain where it was years ago.

To pin-point the areas where positive actions from the side of India would evoke responses among her neighbours that would initiate a positive change for greatly improved neighbourly relations. These are: (i) speedy settlement of the dispute over the share of the Ganges and Teesta waters on an equitable basis with Bangladesh; (ii) abandonment of India's unilateral plan to build the barbed wire fencing along the border of Bangladesh. We have mentioned only the two major abrasives of neighbourly relations. Once persuaded to exercise the necessary political will, India would make the largest unilateral contribution towards good relations with her neighbour, Bangladesh. The latter, for itself, has persistently been pursuing a policy of peace, friendliness and good relations with her bigger and stronger neighbour, India. (iii) In the scenario of unresolved disputes also figures Sri Lanka, India's small southern neighbour now plagued with a civil war between Tamils and Sinhalese. If the grievances nursed by Sri Lanka against India have any grain of truth in them, then India on her part and external powers like the US or the USSR on theirs might use their good offices to help resolve the dispute between the two countries. Any suspicion allowed to lurk in the mind of one neighbour against another is the first thing to be removed either through bilateral efforts or advice or mediation from friendly outside countries.

It seems, incidentally, the subcontinent, with India occupying almost three-fourths of it and boasting the largest democracy in the world, remains more or less where it was about four decades ago. In the wake of the failure of the theme and dream of Mahatma Gandhi, the Ali Brothers, Moti Lal Nehru, and Jawaharlal Nehru, of unity of the subcontinent came the division in 1947, followed by upheavals leading to the emergence of sovereign independent Bangladesh. Occupying, geo-politically, the central position and being the largest and most powerful country with its smaller neighbours around her, India assumes the natural and historical duty of making her neighbours feel at home with her. Must this expectation of history—this time, of amity and unity in diversity—be allowed to fade as well, in spite of all that the subcontinent could and should have learned from its experience of about half a century; if not longer?

CSO: 4600/1485

BANGLADESH

ERSHAD MESSAGE ON ELIMINATION OF RACIAL DISCRIMINATION

Dhaka THE BANGLADESH OBSERVER in English 21 Mar 85 pp 1, 12

[Text] The President and CMLA, Lt Gen H.M. Ershad has reiterated Bangladesh's unflinching commitment to the UN General Assembly programme for total elimination of racism and racial discrimination, reports BSS.

President Ershad in a message issued on the occasion of the observance of International Day for the Elimination of Racial Discrimination said Bangladesh was ready to contribute its share to the heroic struggle being waged by the oppressed peoples in Southern Africa and Namibia to help them achieve freedom, economic and social emancipation.

Following is the message "Bangladesh joins the comity of nations in observing on Wednesday International day for Elimination of Racial Discrimination and the week of solidarity with the peoples struggling against racism and racial discrimination from March 21 to 27.

These occasions also coincide with the 25th anniversary of the Sharpeville massacre. We salute and honour all those valiant freedom fighters who fell victim to the crime of apartheid in heroic defence of liberty and human rights.

"The ultimate sacrifice of these brave sons of Africa prompted the UN General Assembly in 1970 to declare apartheid as a crime against the conscience and dignity of mankind.

"Bangladesh fully shares this verdict of the international community and condemns firmly and unequivocally apartheid, racism and racial discrimination in all its forms as being in direct contravention of the UN charter and other international legal instruments including the International Convention on the elimination of all forms of racial discrimination.

The Government and the people of Bangladesh are extremely concerned to note that racism continues to breed new violence and causes bitterness and frustration, fears and strife in Southern Afrida and elsewhere in the world.

"The reign of terror let loose by the illegal racist regime in Pretoria is direct affront to world conscience.

"Bangladesh feels that the experience of the first UN decade for action to combat racism and racial discrimination has demonstrated the need for giving utmost attention to the efforts for further sensitizing the international public opinion against the evils of apartheid, racism and racial discrimination.

"In the second year of the second UN decade for action to combat racism and racial discrimination, Bangladesh reaffirms and reiterates our unflinching commitment to the programme of action for the decade adopted in the 38th UN General Assembly with the noble objective of total Elimination of the scourge of racism and racial discrimination. Bangladesh is also ready to contribute its share to the heroic struggle waged by the oppressed peoples in Southern Africa and Namibia to help them achieve their inalienable rights of freedom and economic and social emancipation."

CSO: 4600/1485

BANGLADESH

DETAILS OF SOVIET AID TO NEW POWER PLANT GIVEN

Dhaka THE BANGLADESH TIMES in English 2 Apr 85 pp 1, 8

[Text] Bangladesh Power Development Board on Monday signed an agreement with the Soviet company MS Technopromoeexport for a credit of 82 US million dollars (about Taka 222 crore) under the existing bilateral trade agreement between the two countries, reports BSS.

The agreement was signed for the supply of design equipment and assistance to local experts for erecting, commissioning and initial operation of the 210 mw fifth unit of the Ghorashal steam power station, said a PDB press release.

Brig (Retd) A.M. Chowdhury, Chairman of the Power Development Board and Mr Rogoshin, Vice-President of the MS Technopromoeexport signed the agreement at the WAPDA Building in Dhaka.

An eight-member Soviet delegation headed by Mr Rogoshin is on a three week visit to Bangladesh in this connection.

According to the agreement, Power Development Board would use local experts and construction materials in the execution of the power plant which is expected to be commissioned in December 1990.

The 210 mw 3rd unit is under construction and is expected to be commissioned next year. At present there are two units with a capacity of 110 mw at Ghorashal power station. The work on the 210 mw fourth unit is also in progress and is likely to be completed in 1987, the press release said.

With the completion of the 5th unit the total capacity of the power station will rise to 740 mw, the press release added.

CSO: 4600/1493

BANGLADESH

BANGLADESH-CHINA FRIENDSHIP ANNIVERSARY MEET REPORTED

Dhaka THE NEW NATION in English 29 Mar 85 pp 1, 8

[Text] Bangladesh-China Friendship Association yesterday celebrated its 32nd founding anniversary at a function held at the Shilpakala Academy in the city yesterday afternoon, reports BSS.

Presided over by the President of the association, Mirza Golam Hafiz, the function was addressed as the chief guest by the Chinese Ambassador in Bangladesh, Mr Xianggian.

Senior office, bearers of the association including Kazi Zafar Ahmed, Mr Sirajul Hossain Khan, Mr Kamrul Islam and Chinese nationals in Bangladesh attended the function. Former prime minister Mr Ataur Rahman Khan was also present.

The Bangladesh-China Friendship Association also launched its quarterly magazine "Friendship" in the function.

Speaking on the occasion, Mirza Ghulam Hafiz said that since the formation of the society in 1953, the members of the association had played a significant role in strengthening the friendship between the peoples of China and Bangladesh.

Mirza Hafiz said that with the span of time the friendship between the two countries was becoming stronger day by day. People from all walks of life in Bangladesh are very sincere to see an ever lasting friendship between the two friendly countries, he observed.

The President of the association also expressed his satisfaction over the cultural, commercial and other ties between the two countries and hoped that this relation would be strengthened as the people of the country always valued the friendship with China.

The Chinese Ambassador, Mr Xian Xianggian, hoped that the existing friendship between Bangladesh and China would continue to grow in the future.

He said that the Bangladesh-China Friendship Association had played a significant role in developing the relations between the peoples and governments of the two countries. Mr. Xianggian also pointed out that Bangladesh and China had a long history of friendship as many famous Chinese personalities including Hu En Sang visited the Bengal in the ancient days. The ambassador also recalled with gratitude

the contribution of famous Buddhist intellectual Atish Dipankar Srijan who spent his last days in Tibet.

The President of the Chinese Peoples Association for Friendship with Foreign Countries (CPAFFC) Mr Wang Bing Nan, in a message to Bangladesh-China Friendship Association congratulated the association for "unremitting" efforts for promotion of friendship and mutual understanding between the two countries.

The function was followed by a cultural performance including the screening of a Chinese film.

CSO: 4600/1492

BANGLADESH

BRIEFS

AMBASSADOR TO EGYPT--The Government have decided to appoint Mr Mohammad Siddiqur Rahman formerly Secretary, Ports, Shipping and Inland Water Transport, as ambassador of Bangladesh to the Arab Republic of Egypt, the Foreign Office announced in Dhaka on Thursday, reports BSS. Mr Rahman was Chairman of the TCB during 1973-75 and Secretary Ministry of Ports, Shipping and Inland Water Transport during 1975-79, and Secretary Ministry of Sports, Cultural and Religious Affairs and the Ministry of Youth Development during 1980-82. He was Secretary, Ministry of Health and Population Control during 1982-83 and Secretary, Ministry of Local Government and Rural Development during 1983-85. Mr Rahman, who is widely travelled, attended a number of international conferences and seminars. [Text] [Dhaka THE BANGLADESH OBSERVER in English 5 Apr 85 p 12]

ENVOY TO KENYA--The Government has decided to appoint Mr Abdul Momen Choudhury at present Director General in the Ministry of Foreign Affairs, Dhaka, as High Commissioner for Bangladesh to the Republic of Kenya, says a PID handout. Born on January 3, 1940, Mr Choudhury graduated from the University of Dhaka with Honours in Economics in 1961. He joined the erstwhile Pakistan Audit and Accounts Service in 1963 and later joined the erstwhile Pakistan Foreign Service in 1966. He held diplomatic assignments in missions in Damascus, Dar-es-Salaam and Calcutta during 1968-74. He served as Director in the Ministry of Foreign Affairs from 1974-76 and was Counsellor in Bangladesh Embassy in Islamabad and High Commission of Bangladesh in London and Ottawa and was appointed Director General in the Ministry of Foreign Affairs in August 1982. [Text] [Dhaka THE BANGLADESH OBSERVER in English 29 Mar 85 p 3]

ENVOY TO KUWAIT-- The Government has decided to appoint Mr A.K.M Nazrul Islam, at present Ambassador of Bangladesh To Yugoslavia, as Ambassador of Bangladesh to Kuwait, it was announced in Dhaka on Wednesday, reports BSS. [Text] [Dhaka THE BANGLADESH OBSERVER in English 28 Mar 85 p 8]

AMBASSADOR TO YUGOSLAVIA--Another report says: The Government has decided to appoint Mr Khurshid Hamid, at present Director General in the Ministry of Foreign Affairs, as Bangladesh Ambassador to Yugoslavia, it was announced here today. [Text] [Dhaka THE BANGLADESH OBSERVER in English 28 Mar 85 p 8]

ENVOY IN BRUNEI--Bangladesh High Commissioner to Malaysia, Mr Farooq Sobhan who is also concurrently accredited to Brunei, presented his credentials to Sultan Hassan Al Bolkiah of Brunei Daruss-alm in a simple ceremony on Thursday, according to a message received in Dhaka on Friday, reports BSS. Receiving the credentials the Sultan expressed his satisfaction over the excellent bilateral relations and cooperation between the two countries and noted that Bangladesh is who were working in his country were performing their task very well. The Sultan also recalled his meeting with President Ershad in Casablanca last year and said that he was looking forward to paying a visit to Bangladesh. The Sultan also conveyed his best wishes to President Ershad. Earlier, High Commissioner Sobhan, presenting his credentials, conveyed the greetings of President Ershad to Brunei Sultan. He said that Bangladesh would be happy to provide qualified personnel as well as skilled and non-skilled workers according to the requirement of Brunei. [Text] [Dhaka THE BANGLADESH TIMES IN English 28 Mar 85 p 8]

NEW JAPANESE AMBASSADOR--Mr Yoshitomo Tanaka has been appointed Ambassador of Japan to Bangladesh, Foreign Office announced on Tuesday, reports BSS. Born in Tokyo in 1935, Mr Tanaka studied at the University of Tokyo. A career diplomat, Mr Tanaka joined the Ministry of Foreign Affairs in 1956 and held various important positions in Tokyo and abroad including Austria and the USSR. Prior to his present assignment he was Japan's Consul-General at Sydney, Australia. [Text] [Dhaka THE BANGLADESH TIMES in English 28 Mar 85 p 3]

NEW SOMALI ENVOY--Mr Mohamed Ahmed Alim has been appointed Ambassador of Somali Democratic Republic to Bangladesh with residence in Islamabad, Foreign Office announced here Tuesday, reports BSS. Born in 1939, Mr Alim joined government service in 1957 and held various important positions. He was Counsellor at Somali embassy in Ankara (1979-82) and permanent Charge d'Affaires at his country's mission in Dares Salam from 1982 and was appointed Ambassador to Pakistan on 29 January 1985. Mr Alim is married and has five children. [Text] [Dhaka THE NEW NATION in English 4 Apr 85 p 3]

CSO: 4600/1496

IRAN

PHILIPPINE OFFICIALS URGED TO 'SCRUTINIZE' IRANIAN STUDENTS

Manila BULLETIN TODAY in English 15 Mar 85 p 6

[Commentary by Jesus Bigornia]

[Text]

NORMALLY, a student, even in alien student, merits encouragement in his or her pursuit of higher studies. But when it becomes evident the alien takes on unrelated courses of study to prolong his stay in this country, his or her motives require close scrutiny by Philippine immigration authorities. When a foreign student enrolls in a school of dentistry immediately after graduation from a college of engineering, or vice versa, he or she is either afraid to return home or has a personal motive, possibly sinister, for wanting to stay here indefinitely.

Half a dozen pro-Khomeini Iranian students have been denounced to the immigration and deportation commission by Khosrow Minuscher, former Iranian labor attache here, for resorting to the "further-studies" ruse to stay on here after completing undergraduate studies in local

colleges and universities. Minuscher says: "Ordinarily, one finds a logical relationship between courses taken up by multi-degreed persons. An accountant-lawyer, for instance, makes a good tax consultant. But engineer-dentist? What about a master in political science-doctor of dentistry? Does he plan to render political adversaries toothless?"

It must be admitted here that there is no direct evidence to prove beyond reasonable doubt that the supposed search for knowledge is but a ploy to enable these students to stay here in order to pursue sinister goals. Considering, however, that these students are allegedly part of a radical group engaged in proselytizing Filipino youth, it might be relevant for the intelligence community, including the investigating arms of the Ministry of Justice, to examine their backgrounds and credentials. Otherwise, they will be permitted to educate the Filipino young in radicalism.

CSO: 4600/401

IRAN

FOREIGN TRADE CONTROL CONTROVERSY ANALYZED

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English Apr 85 pp 62-63

[Text]

The question of who should control foreign trade in Iran has been the subject of heated controversy ever since the Islamic Revolution. The passage of the foreign trade nationalisation bill, before its final ratification, was bumpy and it went through various revisions.

A bill to regulate foreign trade was approved by the Majlis on May 11, 1982. The bill was forwarded to the Council of Guardians for ratification, but the council rejected several articles of "the bill on nationalisation of foreign trade" on April 22, 1984 after a lengthy debate.

Before the approval of the bill there was a divergence of opinion on foreign trade policy among government officials, this dichotomy being well reflected in a speech delivered by the speaker of the Majlis, Hojatol-Islam Hashemi Rafsanjani, on January 20, 1984:

"... One line of thought holds that the private sector should be left completely free and the government should avoid interference in the economy so as to induce private incentives. As a result, they argue, employment will increase and production will accelerate; it would be in the interests of the society if some people get rich. The other line of thought demands government intervention in banks, agriculture, industry, distribution and trade. The supporters of the latter attitude do not share the same degree of insistence in their views. Some of them say 20 per cent, some others say 30 per cent, and others say 50 per cent of the economy should be in the hands of the government. These are not religious but technical differences. Islam can get along with all these tendencies. Islam has nothing against increasing government controls in many sectors, when and if necessary."

However, despite the continuing debate the government, under the pressure of circumstances, was increasingly taking over the control of foreign trade throughout the post-revolutionary period. In 1978 total foreign currency expended on the import of goods was around \$13.5bn. of which about \$6bn was accounted for by the government sector. In 1979, while private-sector imports grew by 100 per cent, public-sector imports remained almost stagnant. This trend continued until late 1980 — the start of the war. In the first half of 1980 more than 71 per cent of imports were controlled by the private sector, compared with about 42 per cent in 1977.

With the beginning of the war the mounting pressure of foreign exchange shortages led to increasing control by the government of private-sector imports. In 1981 the placing of orders for the import of commodities by the private sector was strictly limited, and in some cases completely stopped. Since then the government has increasingly taken direct control of foreign trade, and currently it dominates almost all foreign trade and a large part of domestic wholesale trade.

Despite the ratification of the trade nationalisation bill, and irrespective of the fact that the government in practice controls most of the wholesale trade, there is still much opposition to government economic intervention within parliament. The bazaar in particular is a strong opponent of the trade nationalisation bill and economic intervention by the government in general. Last October an article appeared in the 10th issue of *Eqtasad Islami*, the organ of Islamic bazaar societies, attacking the trade nationalisation bill,

the economic conduct of the government, and proposing a new trade bill which the bazaar believes should replace the present one. The article is particularly interesting as it summarises the views of an influential section of Iranian society on the economic policies of the Islamic government.

The article begins with some generalities about the interplay of supply and demand and its effects on the price mechanism for various commodities. In doing so, it gives a central role to the merchant as the agent of distribution and the transmitter of market signals between the producers and consumers: "... Thus we see that in relation to distribution, one should consider the main decision-makers — who are also the real agents of distribution and the final suppliers of goods to consumers — as the most important element in the scheme."

The role of government as an agent of distribution is opposed: "Even if we suppose that there is such a role to be played by a minister, how can any minister be informed about every import detail of commodities which come under the jurisdiction of his ministry, and what kind of organisations have to be placed at his disposal for accomplishing the task of getting acquainted with all details of production of these goods? It is obvious that these ministries will have to be turned into bigger and bigger organisations with larger budgets each year for this task to be handled by them."

The role of the Supreme Council of Distribution — whose duties according to Article 2, Section 3 of the trade nationalisation bill are "ascertaining, assigning and approving the levels of consumption and reserves of goods with a view to production and import possibilities" — is then criticised, based on lack of information and the absence of price signals:

"What are the criteria for this ascertaining and approving? Our statistics are weak and the war and migrations make the calculations and evaluations even more difficult. Under these circumstances, how can we be sure of the levels of consumption and then proceed to approve and ascertain them? The most important indicator of consumption needs, that is,

prices of goods, has been eliminated by the introduction of rationed distribution."

(The critique here does not mention the fact that under conditions of shortage the price mechanism can exacerbate the shortages through hoarding and profiteering by merchants — the free agents of distribution.)

Sections 4, 5 and 6 of article 2 of the trade nationalisation bill also get short shrift: "All three sections together tell us how, and from whom, to buy goods and at what prices. Is this not inconsistent with the principle of freedom in selling? The question which arises here is how can we implement the principle of mutual consent of parties, which is the basic principle of sale in Islam?"

The government's crisis management policies receive some harsh words: "We should ask ourselves, is the only solution to the crisis controlled distribution or otherwise? Can we not organise distribution by removing the restrictions and limitations in production? Would it not also increase employment and save the government from its horrible budget deficits — which force it to print unbacked currency — by freeing production totally?"

On the extent of the current intervention of the Islamic government in distribution, the article remarks: "The government has been determining all internal production and also channels of distribution. Imported goods, whether private or public, are also no exception to this rule. We have seen that, considering the past and present circumstances, the bill has not been able to solve any problems."

After criticising the existing bill, the article proceeds to put forward the bazaar's proposed substitute for it. The essence of the argument in part 1 of the proposed bill, entitled "Objectives and principles governing distribution," is well summarised in the following proposals:

- The process of distribution should be based on the principle "leave the people's work to themselves."
- Either nationalisation of distribution or the creation of an inflated bureaucracy should be prevented, which would result in negative effects.

• Freedom of economic activity should be allowed within the Islamic framework.

In the section "The mechanism of distribution of goods" the bazaar maintains that: "The three sectors, that is, public, private and cooperative, can play a role in the distribution of goods, but comparatively speaking the private sector can play the most important and major role.... Based on international experience and our own experience of the past few years, the private sector, as the representative sector of the masses, enjoys the best position."

For crisis management and supervision at a time of shortages, the setting up of guild councils in the bazaar is proposed:

"However, in times of economic crisis, the task of determining the most appropriate mode of distribution of a certain item is the job of the concerned Guild Council. The council would consist of experts and specialists in the field, who would devise the appropriate mechanisms and regulations with the guidance of the government.... the work of these councils would be regulatory, not executive or administrative. If need be, the councils would also determine and fix prices of goods. However, whenever supply and demand equilibrium is reached again, the work of the councils will effectively end."

The bazaar gives a few points of advice to the legislators: "The good of the people is in that the people's affairs should be left for them to govern, not the government. The meaning of government is not in total control but in supervision, planning and guidance. The action should be left for the

people. This is also the way to full employment. All economic corruptions and problems take root from the fact that the government is not appropriately placed. The government has actually tried to take over the people's jobs from them. This is the reason why, five years after the victory of the revolution, we have still not solved our economic problems."

In the concluding section of the article, the bazaar once more delivers harsh criticism of the government: "Our country will be free from distribution problems when we also have no problems in the field of procurement and supply, because our problems of distribution are actually problems of production. The present economic policies of the government, that is, keeping the people isolated, has resulted in migration of manpower from the agriculture, animal husbandry, industry, imports and construction fields. It has forced this manpower to engage in buying and selling, selling smuggled goods, and so on. It has resulted in general chaos in investments and more unemployment."

Such criticism of government intervention is not only confined to the bazaar — it finds echoes in the parliament, the government and among some of the clergy. It appears that the power of free marketeers is gaining increasing strength in Iran (see *Arabia*, October 1984). The bazaar's article appeared shortly after Ayatollah Khomeini's statement last August to the effect that state activities should be confined to areas in which the private sector is unable to participate.

IRAN

NATIVE JOURNALIST COMMENTS ON HOMELAND'S DEVELOPMENTS

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English Mar 85 pp 14-16

[Article by Mohammad Sadiq al-Hussaini]

[Text]

Now that five years of the victorious Iranian revolution have elapsed, it must be admitted that it has not been fully comprehended. In spite of its being one of the focal points of western and eastern preoccupation with the Islamic world, its riddle remains unsolved; the situation is best described in the words of a prominent French journalist: "This revolution resembles only itself; that is why the West finds it impossible to understand."

The Iranian revolution is much more than a mere transformation of a monarchy into a republic or a mere shift from the status of a western and US satellite to independence and self-determination. In essence, the Iranian phenomenon is a historic record, almost two and a half centuries old, of the life-span of the non-Islamic and ignorant Korosh dynasty — it is a phenomenon which had reunited the Iranian nation with its history and roots, and rebuilt the bridges destroyed by the onslaught of the westernising crusaders of the last three centuries.

To understand what has happened so far in Iran, it has to be comprehended and located within the context of modern Iranian history. That history, especially since the end of the 19th century, is characterised by two major features that have had a deep impact on the progress of Iranian liberation and which will continue to do so for a long time hence:

- A persistent tendency in the Iranian peoples as a whole to be ridden by superpower domination, and an insistence on the safeguarding of their national unity and

sovereignty which, though often under foreign threat, never disappeared. This Iranian "nation" has managed to stay solid and united to a large extent through all its historical battles, despite the defeats and setbacks inflicted upon it in many wars in the past. Iran lost two wars against the Russians in 1814 and 1824 and lost another between 1870-1871, which resulted in the partition and separation of the then province of Afghanistan from the Iranian nation, as well as other northern provinces such as Azerbaijan. Later, the whole of Iran was partitioned before being reunited in the middle of this century.

- The dominating phenomenon of conflict and struggle between the Iranian people (with its different ethnic groups and classes) and its successive regimes. To the Iranian, this symbolised dependence on foreign powers that successively dominated the area and which always tried to link the whole area and its future to their own alien culture and civilisation. This explains the domination of the Iranian liberation movement by Islamic religious thought. The Iranian masses have always found refuge in Islam, which has always protected them from the invasion of foreign cultures.

A comprehensive review of the history of conflict and struggle waged by the Iranian masses against their foreign and domestic enemies will clearly show that the two tendencies towards independence and liberation have always been equated with looking to the Islamic culture and civilisation, to the religion of Islam and the embracing of that religion. But this

meant that, even at a time when the rulers, backed by foreign intrigue, failed to defeat Islam and uproot it from Iranian society, those powers would — especially when independence and popular liberation movements escalate their activities — try to distort the teachings and principles of Islam and then officially adopt the distorted version in order to abort the popular uprisings against them.

That was exactly what happened during the rule of the Safavid dynasty, which fabricated its own version of Shiism aimed at undermining the strength of the original and revolutionary Shiism. Its actions were fully exposed by the late Dr Ali Shariati. The case of the last Pahlavi dynasty is another example; it, too, tried to link itself with religious thought employing official faqihs (jurists) (against whom Imam Khomeini is still battling) to thwart the popular revolution.

But whenever this happened, the masses and their intellectuals and ulema (religious scholars) stood against it and resisted "official Islam," which has so far been unable to achieve the nation's independence or liberation. This caused Iran to lapse into insignificance in the international arena, despite its vacuous "imperial" claims. This whole situation is a consequence of the coexistence of two distinct societies under one roof: on the one hand, empirical administration and the ruling class — always composed of the minority; and the Islamic majority, or the umma (nation).

Through his thesis, known as the "authority of the Faqih," Imam Khomeini has initiated a turning point in modern Shiite history. He even brought about a major qualitative turn inside the centres of religious scholarship in Qom, Najaf and Mashhad. For, when he proposed the idea of an Islamic government in sacred Najaf in the face of the opposition of the majority of Shiite Marjis (religious scholarly authorities), he was in fact posing a real challenge to the sweeping surge of history moving in the direction of excluding, once and for all, the religious trend from the arena of politics and everyday life.

The sentiments and opinions of the Iranian people have thus been given a forcefully objective expression in the form of an appeal for the return of the absent Islam. The issue of reasserting the Iranian people's identity was seen as being at one with the fulfilment of their Islamic identity. Islam and Shiism could not

materialise without freedom and social, economic and cultural liberation.

Towards the end of the 19th century the emergence of the Iranian national liberation movement gave rise to three major trends, namely the religious trend, being the general Islamic movement led by the Muslim jurists and scholars; the nationalist trend, known historically as the National Front Movement; and the socialist or leftist movement, which encompasses the various Marxist groups and other leftist factions.

The process of the Iranian revolution can be divided into a number of broad phases:

- The well-known tobacco uprising of 1890-92 against the tobacco marketing concession granted to Britain by the ruling regime (the Qajar dynasty), which extended to the palace itself, thanks to the leadership and inspiration of the late Avatollah Shirazi and the religious scholars who supported him.

- The Constitutional Movement of 1905-1911, which aimed at limiting the king's powers according to a constitution and called for a national assembly elected by the people. Great patriotic leaders such as Star Khan and Baqir Khan played important roles at this stage and, once again, the spiritual leadership and religious authorities (Marjis) were leading the struggle through the special committee formed for this purpose.

- The 1919/1920 struggle against the Anglo-Iranian agreements and the attempts by Britain and communist Russia to dominate the country. Despite attempts by the left and some nationalists to classify this phase as leftist and under the influence of Bolshevism, the role of the religious leaders — foremost among whom was Muhammad Khiabani — was clear and decisive in leading the struggle against the domination of great powers and in defending the country's independence and sovereignty.

- The National Revolution which followed the second world war — which was a continuation of the pre-war political and intellectual awakening, the principles and foundations of which were established by the great religious scholar Hasan Mudarres. That movement grew and took the form of a demand for restricting the power of the monarchy or even its elimination. A patriotic government headed by Muhammad Musaddak was set up which proceeded to nationalise the

Iranian oil industry. In this respect, too, Ayatollah Kashani, from the high religious authority (Marji), had the pivotal leadership role and inspired the masses. When the national executive leadership failed, however, to hold to its principles, its movement suffered a setback and its aspirations were frustrated as a result of the recession which brought Muhammad Reza Pahlavi back to power in 1953.

The common factor at this stage was clearly the leading role religious scholars (ulema) played during the different stages of the struggle against the ruling clique and foreign domination, which affirms beyond any doubt that Islam is deeply rooted in the hearts and minds of the masses and a major component of the Iranian nation.

This brief introduction is necessary in order to provide an understanding of what is going on now in Iran, and to comprehend the essence of the present Iranian policy and of the religious attitude of the Islamic revolution as represented by Imam Khomeini ever since the victory of that revolution.

Granting that the Islamic religious trend was the major factor in the success of the Iranian people's revolution in 1979, this militant Islamic trend, ever since the victory of the revolution, has been divided into three different ideological and political currents still very active within the body of the revolution. The "Society First" current has fallen; it gave priority to social and economic issues, talked a lot about individual liberties and wanted action in this direction at the expense of the sovereignty of the pure Islam. Another trend has lost its last stronghold in the Islamic Shura Council (the parliament) when Mehdi Bazagan and his "Iran First" clique failed to be re-elected to it. This trend gave top priority to building a strong, nationalist Iranian state, but with an Islamic touch.

Once these two trends had fallen, it became clear that the dominant current in the present leadership of the Islamic Revolution in Iran is that of "Islam First." It is the major trend which has characterised the general progress of the Iranian Revolution throughout its different eras and stages, and which is reflected in the leadership of the religious scholars (ulema) of every struggle against internal despotism and colonialism.

But with the consolidation of the government there emerged the need for the adoption of a specific revolution on the one hand, and the laying of the main foundations of Islamic rule on the other. This has once again brought to the fore the possible alternatives regarding ideological and political methods of action towards the internal and external events surrounding the revolution and its onward march.

In the conditions for implementing Islam in modern times, and within the abnormal and artificial context of the so-called "modern state" and the arbitrary division of regions into "sovereign states" within the Islamic world, are factors which exacerbate the difficulties and obstacles in the face of putting the Islamic law into effect in the best possible manner in Muslim countries. Hence it is only natural to see emerging an Islamic trend that believes that necessity and objective circumstances require, first, the establishment of a model Islamic state — Iran — as an example to be followed later by other countries and peoples. This would undoubtedly bring them much nearer unity and the restoration of the one homeland and the one Islamic nation (umma).

Meanwhile, another trend has begun to emerge, demanding immediate and radical solutions to social and economic questions, with the aim of offering the Islamic alternative vis-a-vis foreign colonial methods. This would enable the nation to defeat colonial schemes and revive the Great Islamic Project, even if such action led to division and polarisation within the Islamic society — for without it, Islam would be exposed to shocks, deviations and blows that could efface its revolutionary character.

Currently, when ijthahs (interpretations) are varied and views differ, the Imam's line remains solid in giving priority to the protection of Islam and the defence of the Muslim homeland, as well as the Muslims' distinct existence. For Islam's disappearance, God forbid, will cause all the great and correct solutions — however original and ingenious — to disappear too.

This is the trend which the majority of the Islamic masses in Iran insist on defending and bringing to the forefront, instinctively and every single day, by participating in their millions in the Friday prayers, going

voluntarily to the battlefields, or by actively participating in celebrating all religious and political occasions. For those masses believe that the symbols and expressions of the Islamic system should never be separate from the life and spirit of Iranian society. The marked success of this approach after six years of the revolution reflects, among other things, the masses' instinctive adherence to the Islamic character and to the Islamic directors of the revolution more than anything else, and brings to the fore the Iranian masses' anxiety, even fear, of the possibility of Islam's disappearance or its exclusion, once again, from the arena of effective action.

CSO: 4600/403

PAKISTAN

PPP TO FILE PETITION AGAINST ELECTIONS IN AZAD KASHMIR

Islamabad THE MUSLIM in English 11 Apr 85 p 8

[Text]

ISLAMABAD, April 10: The Azad Kashmir People's Party, which has announced a total boycott of the general election being held in Azad Kashmir next month, will launch a mass movement against it. The party President, Sardar Mohammad Ibrahim, talking to 'The Muslim' here this morning, said that he was convening a meeting of his Party's Central Committee within a week's time to discuss the future course of action. The people of Azad Kashmir will never accept this "farce being staged in the name of elections".

"We are also taking the matter to the High Court by filing a writ petition against the Registration of Political Parties Act, restrictions imposed on political workers and the election schedule announced by the Election Commission." All these steps, he said, were contrary to the spirit of the constitution and the fundamental basic rights of the citizens assured in the constitution. The People's Party wanted the repeal of all black laws, including the law requiring registration of political parties. If these laws

are not withdrawn we will not only boycott the polls but also strongly resist them". Sardar Ibrahim said he was already in touch with the other political parties in Azad Kashmir and Pakistan. He had contacted PPP leaders Mustafa Jatoi, Aftab Ahmad Sherpao and Shaikh Rafiq and would soon visit Lahore, Peshawar and Karachi to meet them.

When asked if he had approached the President of Azad Kashmir, he said the Azad Kashmir President had no powers. He was only acting on the advice of the Government of Pakistan and was not competent to take any policy decisions.

He demanded the complete and immediate lifting of Martial Law in Pakistan and said the process initiated by holding the general election and establishment of assemblies should lead to full and complete restoration of democracy in the country. The curbs on the Press should also be lifted, all political prisoners immediately released, and restrictions on the movement of political leaders withdrawn.

CSO: 4600/396

15 May 1985

PAKISTAN

BENAZIR RULES OUT RIFT IN MRD

Islamabad THE MUSLIM in English 12 Apr 85 pp 1, 8

[Interview with Benazir Bhutto by Maleeha Lodhi]

[Text]

LONDON, April 11: In an exclusive interview with The Muslim, the first that she has given to any journalist since the elections, PPP acting Chairperson Benazir Bhutto has ruled out the possibility of disunity within the MRD or of the alliance falling apart.

In a wide ranging conversation with this correspondent at her London flat, Benazir Bhutto spoke on a number of issues, including the present situation in Pakistan, her attitude towards the new Parliament as well as foreign policy issues. The following are excerpts from the interview:

Q: Would you agree that the MRD now faced with a severe dilemma must rethink its strategy in the light of new post-election realities?

A: The decision to boycott the election was taken after analysing all available options. We did not consider parliament would be anything but a cloak for military rule, therefore, we felt taking part in the polls would make us an extension of martial law. We took a conscious decision to play the role of an opposition outside parliament. I do not think the MRD is in a dilemma because a parliament of "yes men" has come into being.

The military wanted a civilian cloak, and they wanted to throw a sop to the western world from which there had been considerable

pressure (for election). But we were debarred from taking part, those who were anti-martial law were prohibited, political parties were banned, the ban on political activities was not lifted and military courts continued to function. So the question was were we to become a part of the military regime or were we to remain part of the people? And there can be no doubt that we will always remain with the people.

Q: But a significant member of people turned out to vote?

A: I don't accept the 52% (turnout) figures that are given out. I believe turnout in the elections was not more than 24% or 25%. In one area of Larkana where there were 2,500 votes, only one vote was cast. In Karachi, I saw the Reuter report which said turnout was 10%. Our own assessment was 12%. But turnout was higher in areas where those most identified with the Martial Law regime were standing, because people were determined to defeat them. We asked the people to boycott. They said 'No, we want to defeat these people'. And we accept their verdict. The people are always right, they are never wrong. They didn't listen to us but they were right, we were wrong. But in other places they boycotted. So the assembly is unrepresentative because not many people took part.

Q: But how do you and the MRD face up to the reality of situation in which, despite elections and whatever one's views about them, the status quo has remained unaltered for eight years?

A: May I draw your attention to martial law regimes in Poland, Turkey and Bangladesh. It is not easy for an unarmed civilian population to face an organised military might which holds all coercive powers. In no other country where there has been martial law has there been such resistance. The MRD and particularly the PPP as its major component believes in siding with the people. We will not sit in a fake assembly and abandon the people. In these eight years we have been unable to overthrow military rule but the military has not been able to consolidate either. Eventually this cycle must break and it must break in favour of the people.

Regarding the MRD, it was formed to struggle for elections and the restoration of the 1973 constitution. That constitution has been abrogated. When the MRD leaders are released and when the central executive meets, they will analyse the question of a new strategy. We have to keep up the pressure because nothing has changed — martial law is there, parliament has no power. Under our pressure he (President Zia) will be forced to permit some political activity.

Q: You say the MRD will chalk out a new strategy once its leaders are free to meet, but what lessons have you drawn from the electoral exercise? Sitting here in London, have you begun a fundamental reappraisal? — S.

A: I won't say a fundamental reappraisal, but from each phase of the movement we draw lessons to sharpen the political struggle. And naturally we have to see what can be done in this phase. The biggest problem is that of the military's restrictive measures preventing us from reaching the people. We must devise means to go into the 'maidans'. Politics can't be fought from drawing rooms — it has to be fought in the fields.

Q: Is the MRD still viable?

A: The MRD is a grouping of all parties who believe in freedom, democracy and the restoration of civilian, constitutional rule. The points that drew us together are still there. It is important for civilian forces not to be divided or used by the military. Thus the importance of the MRD remaining together is still there. Of course, if it means wiping away the identity of any particular party then that particular party may rethink the issue. But that's not there at present. Secondly, the MRD has

provided a psychological boost to people. Although PPP is the major party and it carries the brunt, one can't overlook the fact that other parties have, according to their sizes, also played a role. For instance, the JUI and Nawabzada Nasrullah's party. I don't see any unreasonable demand being put forward that would lead the PPP to re-examine the alliance. The government would of course be very happy if the MRD broke.

Q: Your stance towards the new assembly is clear from what you said earlier. Would there be any circumstances in which you might be willing to give this assembly a chance?

A: Haven't events proved this assembly has no power? Didn't the regime show utter contempt for it by passing the constitutional amendments. The assembly un-animously elected the prime minister because he was the military's nominee. We took a conscious decision on the grounds that this parliament will not work and if others differ from us and thought this may be a way of ending martial law, then let us see what stand they take. Actions speak for themselves. What stand have they taken over the death sentence given to Ayaz Sammo, who is absolutely innocent. If they are political animals why aren't they calling for the release of political prisoners, for the resumption of political activities. Let them take a stand on martial law. One or two have spoken out and amongst them Gulzar Unnar has really taken a popular stand. If they take a stand we will be the first to say they have taken a stand. But we don't see them doing this since they are a product of martial law. If the PPP had been allowed to contest, most of them would have lost their security deposits.

Q: What about the PPP defectors in the assemblies? Have any links been forged with them?

A: No. They never consulted us when they decided to contest. They didn't even have the decency to tell us 'politically we see things differently'. No links have been established — nor have we seen them taking an anti-martial law stand. If they take a stand then the situation can be seen, but we don't have that expectation.

Q: This does, however, seem to imply some flexibility in your position?

A: No.

Q: What do you think of the PM's declaration that exiled leaders are welcome to return home and other conciliatory statements made by him?

A: I don't know the PM at all; only that he is a follower of Pir Pagara. But words are something we've learnt to be wary about. One thing is said and something else is done. For example, the abrogation of the 1973 constitution is called the revival of the constitution. We are very angry because a very precious member of our party was sent to the gallows and another sentenced to death. We feel very hostile towards them because they have sentenced young people to long terms of imprisonment. The persecution of our party continues.

Q: How do you see Washington's swift endorsement of the elections?

A: It was very disappointing to see that such a large democracy as the US, that believes in freedom and the rule of law should so quickly send a congratulatory message to a regime that has such a human rights record.

Q: How do you view continued American backing for the government?

A: The Americans view the government in the context of the Afghan Situation. This is not a correct policy because it's always more important to have relations with the people of a country.

Q: How do you assess the regional situation in the context of reportedly the sternest Soviet warning delivered to date to Pakistan, as the President recently acknowledged?

A: Firstly, I remember reading his

(President Zia) remarks at a press conference where he said he had a most cordial meeting with Mr. Gorbachev. But then the VOA announced something else and so did the government. So I don't know what its latest position is. People in Pakistan have been concerned about deteriorating relations

with our neighbours and we have always stressed the need for a political solution (of the Afghan problem) primarily because otherwise the situation will lead to a retaliation.

Q: Should this happen, what will be your position?

A: If it happens, it will be the responsibility of the regime. If they land us in a crisis that damages our country, they can hardly expect our support.

Q: Can you spell out your position on another crisis in the region — the Gulf War. Do you condemn either side in this conflict?

A: My position vis-a-vis the Gulf War really relates more to Pakistan than to either Iran or Iraq. We believe it is not right that Muslim countries should be fighting each other and we are in favour of negotiations between the two countries and an end to the conflict. Pakistan is today in a region which has become a flashpoint for a possible conflict that can lead to world conflagration. And that is due to the situation arising out of the Gulf War, the Afghan situation, deteriorating relations between India and Pakistan over the Sikh issue and problems within India itself. It is an area of instability and instability feeds on instability. A democratic Pakistan with a political government capable of mobilising the strength of the people is the key to general stability in the entire region. Otherwise the crisis can only worsen. People panicked when Gorbachev made that statement, but the panic should have started long ago when the policy was embarked upon. We cannot be ostriches who hide our heads in the sand. We must have the vision to predict the implications of policies that we adopt.

ECONOMIC COMMENTARY DISCUSSES ROLE OF FORMER MINISTER

Islamabad THE MUSLIM in English 12 Apr 85 p 4

[Text]

It is amazing how Ghulam Ishaq Khan's unexpected exit from the power structure has gone unnoticed and the press and politicians seem to have treated the event as a routine change. Some observers were even inclined to interpret it as a promotion to a prestigious No. 2 position, since the Chairman of the Senate comes next to the President of Pakistan in the official order of precedence. Though a major reshuffling in the top administrative hierarchy has also taken place and Lt. General Mujibur-Rehman, the powerful Information Secretary has been reverted back to the Ministry of Defence, Ghulam Ishaq Khan's retirement from active administrative life is perhaps the most significant change that has taken place in the recent past.

GIK is no ordinary person and his removal from the scene of operations is not a routine matter. Despite a recent heart condition he was healthy and robust and very much in command of the job he was entrusted with. He was one of those evergreen veterans, who would never grow old, never lose their charm and poise and never fail to strike an instant equation with any government, regardless of its orientation. Basically he was an administrator and a competent one who had a long and distinguished career as a civil servant; a pragmatist reared in the British Civil Service traditions who could

serve under a socialist government and an Islamic government with the same ease and dedication. It was under the Military Government that he became a minister but his basic orientation remained unchanged.

GIK was undoubtedly one of the most powerful ministers in the military regime, the only civilian who was associated with major policy decisions and his opinions were considered the final word in financial matters.

GIK was such a familiar face in the Federal Secretariat and was so long at the helm of affairs that he was almost considered 'indispensable' for the Ministry of Finance. He derived his strength not only from his competence and experience but also from the unflinching support and loyalty he received from the elite bureaucracy, which regarded him as its 'God-father'.

But during the past eight years, though he did not become a politician, GIK was not merely an administrator, an implementer of policies, he was primarily responsible for the formulation of the economic policies of the government and to a great extent influenced policies in other areas as well. He earned the reputation of being a defender of the public sector and was instrumental in resisting pressures for massive de-nationalisation of industries. He was also understood to have opposed giving a carte blanche to the 'IMF package for third world countries' and had insisted on improving economic ties with Iran and the Soviet Union. It is also rumoured that after the Bush visit of May 1984 he was one of the vocal critics of the American plans to de-stabilize Iran via Pakistan.

As a matter of fact, GIK belongs to a generation of civil servants who have risen from the ranks and despite all the foreign influences, they might have had as a result of interaction with the West, their social roots are firmly entrenched in our soil and they cannot detach themselves from the traditional ethos. Bureaucracy in a general way may be accused of arrogance, inaccessibility and alienation from the masses, but it has on account of its social origin and direct public dealing at different levels retained some sort of nationalistic disposition.

As a matter of fact, GIK belongs to a generation of civil servants who have risen from the ranks and despite all the foreign influences they might have had as a result of interaction with the West, their social roots are firmly entrenched in our soil and they cannot detach themselves from the traditional ethos. Bureaucracy in a general way may be accused of arrogance, inaccessibility and alienation from the masses, but it has on account of its social origin and direct public dealing at different levels retained some sort of nationalistic disposition. They are essentially different from the so called foreign trained experts, who may be brighter and more modern in outlook, but who have little understanding or consideration for the concrete problems of a poor and underdeveloped society. They want to transplant a strategy for economic growth, which may suit the western-controlled international monetary institutions but in a country like Pakistan it can only lead to greater disparity between the rich and the poor.

Why has the "grand old man" been eased out? Chairmanship of the Senate is no big deal; it is a decorative position and an old

parliamentarian or a retired Judge could perhaps have been a more appropriate choice. Does it mean that a radical change in economic policies is also in the offing? Are we going to witness revival of the days when Harvard School experts used to manage the Planning Division. Dr. Mahbubul Haq, the new Finance Minister would perhaps like his old associates to assist him in the conduct of economic affairs especially when the Finance Ministry would no longer be a roadblock.

Should we expect more denationalisation of industry and curtailment of the public sector; withdrawal of subsidies on consumer goods, increase in the users' charges and another devaluation perhaps. But acceptance of an IMF package does always have political implications. If the Americans are planning to move into Pakistan in a big way they would not be simply interested in controlling the economy, they would also like to direct our foreign relations. To what extent are we willing to accept the American presence, and at what cost is the question, which the newly installed Prime Minister and his cabinet colleague will have to answer soon.

CSO: 4600/397

PAKISTAN

ASGHAR KHAN PLEADS FOR NON-ALIGNED POLICY

Islamabad THE MUSLIM in English 12 Apr 85 p 8

[Text]

ABBOTTABAD, April 11: Air Marshal (Retd) Asghar Khan, Chief of the defunct Tehrik-e-Istiqal, has said that instead of the 22 industrial families of the 60s, Pakistan is currently being ruled by 46 feudal-cum-industrial families.

Addressing the Abbottabad District Bar Association, he said that in the absence of political parties and concrete social and economic programmes, the non-party elections have thrown up a leadership generally elected on the basis of wealth, baradari and feudal influence.

He said that MRD's participation in the non-party election would have meant accepting a permanent role for the military in the country's politics. He said the newly installed civilian Cabinet will have no role other than endorsing the foreign and domestic policies already being followed by the military government.

The Tehrik Chief said the MRD was committed to the restoration of the 1973 Constitution which was framed by the elected representatives of the people from all the four provinces. He said, 'we do not accept amendments to the 1973 Constitution, nor do we approve of any political role for the Armed Forces'.

He termed the structure of the

defence forces as colonial which has not changed since the days of the British Raj when the sub-Continent was used as a source of manpower while military equipment was supplied by the imperial power. He said the country's defence can only be guaranteed by greater reliance on our own resources. The country, he said, needs a people's army but this can only be done by a government which enjoys the confidence of the people.

Asghar Khan said that after the fall of the Shah in Iran the US is in desperate need of an ally which could protect its interest in the region. He said it is not in Pakistan's interest to pursue a policy of befriend one superpower at the cost of the other. Pakistan must follow a truly non-aligned foreign policy and should have direct talks with the Kabul regime to resolve the Afghan crisis.

Referring to the deteriorating economic conditions in the country caused by rising non-productive expenditure, increased taxes and load-shedding, Mr. Asghar Khan said that only far-reaching structural changes aimed at building an egalitarian and self-reliant society can pull the country out of the present economic crisis.

CSO: 4600/397

PAKISTAN

MIAN TUFAIL RESIGNS AS JI CHIEF

Islamabad THE MUSLIM in English 11 Apr 85 pp 1, 8

[Text]

KARACHI, April 10. Mian Tufail Muhammad, Chief of the defunct Jamaat-e-Islami, has resigned from the party's highest post of "Amir" amid persistent reports of serious differences of "policy and tactics", according to well informed sources closed to the Jamaat quarters.

The national "Shoora" of the Jamaat is being convened on April 18 at Lahore at the party's head-quarter at Mansoor to consider the resignation.

In his letter of resignation, Mian Sahib, who was appointed Amir during the life-time of Maulana Maudoodi, is said to have requested the Shoora to relieve him of his responsibilities in view of his "failing health and declining eye-sight", and asked for the appointment of some suitable person as his successor. "I am tired now and do not feel fit to shoulder the responsibilities as "Amir", he said in his letter.

Who will replace Mian Tufail Muhammad is difficult to speculate but much will depend on how the party reappraises its policies pursued during the last seven years of Martial Law government which has earned the party the title of "B team".

A local group of the party led by Naib Amir, Prof. Ghafoor Ahmad, has been consistently opposing Mian Tufail Muhammad's

pro-regime policies. It is, however, not known how many Shoora's members support Prof. Ghafoor's stance who, in the initial stages, fell in line with Mian Sahib's approach and even became a Federal Minister.

The differences between the Amir and Prof. Ghafoor further deepened when Mian Tufail Muhammad rallied the Shoora members behind him and the party came out in support of President Zia's Referendum of December 19.

It was reported that to influence the Shoora, Mian Sahib rushed to meet General Zia and announced that the President had accepted the demands of the Jamaat which included the restoration of the 1973 Constitution.

The issue is bound to figure in the ensuing Shoora meeting as a large number of Jamaat members now say that President Zia, in practice, has ignored all the six demands which according to Mian Sahib were accepted by the President.

The defeat of the senior Jamaat leaders like Mahmood Azam Farooqi, Munawar Hassan, Ch. Rehmat Ellahi, Jan Muhammad Abbasi etc. in the February election may also come under review at the Shoora meeting which is likely to continue for several days.

It is not known whether Prof. Ghafoor will attend the meeting as his membership of the Jamaat is reported to have been suspended. He did not attend the last meeting of the Shoora and since then he is freely expressing views not in consonance with Mian Tufail Muhammad's public statements.

When this correspondent tried to contact Prof. Ghafoor for his views this afternoon, it was learnt that he had gone to Larkana to meet Maulana Jan Muhammad Abbasi, the Chief of the Jamaat's Sind branch.

According to keen observers, senior party members are pursuing parallel lines, one held by Mian Tufail Muhammad and his supporters mostly belonging to Punjab and Frontier, and the other by Prof. Ghafoor supported by members from Sind and majority of younger elements belonging to its students wing, the Jamiat.

Mian Sahib and his supporters still maintain that Martial Law has been beneficial to Jamaat in many ways and that its policies have been helpful in preparing the grounds for eventual Islamisation.

The other group, however, contends that by aligning with the regime the Jamaat has been isolated from the mainstream and the people in general.

CSO: 4600/396

PAKISTAN

PROMINENT WOMAN LEADER CRITICAL OF PIR PAGARA

Islamabad THE MUSLIM in English 10 Apr 85 p 8

[Article by Nusrat Javeed]

[Text]

KARACHI, April 9: Gulzar Unar, member, Sind Assembly, said that she did not stand up to support the resolution, moved in the house to seek confidence for Justice Ghaus Ali Shah as Chief Minister of the province on 7th "because the people of Sind do not approve imposition of a public servant as their leader". Another reason for abstaining, she claimed, was that as provincial Education Minister, he kept quiet over the Thori incident last year in which many innocent students were killed.

Talking to 'The Muslim' she rejected the impression, projected by some, that the new Chief Minister was not Pagara's man. "Why can't you appreciate the simple fact", she said with some passion, "that all waderas belong to the same party. All of them believe in suppressing people, denying them the right to exist with honour, get educated and enjoy a peaceful, healthy and dignified existence."

Gulzar, who became a celebrity while contesting against one of Pir Pagara's sons for a seat in the National Assembly from Khairpur, is an unpretentious woman of 40-plus. In her small and modest drawing room, she looks like an ordinary housewife. But she is shockingly blunt, forcing her brothers to interrupt and check her in Sindhi.

She refuted Pagara's claim that it was he who brought her to politics as her husband was his 'Murid'. In 1979, she got elected to the District Council Khairpur as woman member. "In effect, I helped Pir Pagara. His son needed

one vote to become Chairman of the Council. Mine was the decisive one." She was also nominated to the Provincial Council where she "kept raising her voice against injustice in a consistent manner. She was again elected to the District Council in 1983 but "the Pirs did not let me take oath of my office."

She alleged that the Pirs turned against her as they felt threatened by her advocacy of the cause of landless peasants. "I was pressing for roads, schools and health facilities and was somewhat successful in getting allocations for my area. They did not like a poor woman emerging as leader."

She decided to contest against the Pirs from Khairpur for both National and Provincial Assembly seats "because no man was standing against them. People are terribly scared of their tyranny. My only purpose was to erode their terror and establish its impotence. I think I was extremely successful in this mission."

During her election campaign she almost turned into a legend. Poems were written about her. Slogans coined projecting her as the symbol of defiance. But she lost. "I did not", she said with scorn.

She alleged that on the polling day thousands of armed Hurs were brought into her Constituency. They took over booths, opened ballot boxes and re-marked votes cast in her favour. "In the home town of the Pirs", she claimed, "only ten per cent of the people went to the polls but it was shown that polling in that area was 100 per cent. Even dead voters were

recorded casting their votes." She challenged that if fair elections are held the Pirs would not get more than 10 per cent of votes from anywhere in Sind, including their home town. "I wonder why people in other provinces consider Pir Pagara as the symbol of Pakistan and a person enjoying formidable support in Sind. He stands nowhere. People in Sind hate him for his tyranny. His only strength are the roughnecks he uses arbitrarily against the poor people."

She does not want to question her defeat through legal channels: "I do not believe that this government could provide me with justice." The Pir's men, she charged, were harassing those who had supported her during the elections.

She is not apologetic that finally she reached the House via the seats reserved for women. "Do not forget that I received the highest number of votes among the Sind Assembly members elected for the women seats." Another fact she kept on repeating is her 52,000 votes, "which government admits" she got in direct elections. "There are people sitting in assemblies who got only ten to fifteen thousand votes."

She refuted the opinion that she was an MRD surrogate. "Let us admit it once and for all that if MRD had participated, none of the people now in the Assembly would have been there. One must be honest in politics. Pakistan People's Party has deep roots in Sind and no one could defeat their candidates had they participated in the elections." However, she confessed that student, Hari and labour activists supported her as she always raised her voice for their cause.

She did not confirm speculations that she was tipped as the provincial Minister for Social Welfare. "Though I am a woman, I am not made of the metal which could be bought, sold or moulded. I will prove with dignity that women, particularly those coming from poor families, are more principled and courageous in politics than Jagirdars like Pagara."

She was evasive when asked which party she would join if they are restored. "I will join the party my people ask me to. And the one which devotes itself to work for the uplift of the masses. A party which must realise that unemployment was the No. 1 issue in Sind and the province was a target of an inegalitarian system of resource distribution." However, one of her brothers reminded me that "Benazir told BBC that Gulzar was the third of the Bhutto sisters".

PAKISTAN

ARTICLE VIEWS WOMEN'S ROLE, RESISTANCE TO MALE DOMINATION

Melbourne THE AGE in English 13 Mar 85 p 22

[Article by Sue Green]

[Text]

I WAS walking down the street in the eastern Pakistan city of Lahore when a man walked up and grabbed my breasts. Others drove alongside the footpath leering at me.

"That's nothing," a Western diplomat told me. "My wife and I were on a Karachi street when a jeep full of soldiers went past. They spotted her and ripped the tarpaulin sides off the jeep to get a better look.

"And she was wearing local clothes. She has been since we arrived here. It's the only way she can stand it," he said.

For the Western woman, Pakistan is an uncomfortable place to visit. In a country where few women are seen in public and those who venture out are often covered from head to foot in the tent-like robes of purdah with only a mesh eye-hole, Western women, even with their legs and arms covered, are considered loose, and fair game.

But if it's no fun for us, for the women who live in the Islamic Republic of Pakistan it is even less so.

The edicts of their President, General Zia Ul-Haq, for which he finds justification in the Koran, infringe rights Western women consider basic and give new meaning to the old cliché "second-class citizen".

Zia, who came to power through a military coup and rules by martial law, was recently "elected" President for another five years in a small turn-out, sham referendum which equated a vote for him with a vote for Islamisation.

In the lead-up to the election and the years under martial law some Pakistani women have dared to speak out in support of their rights and against measures which they say are eroding the few rights they do have.

But those who do so risk public ire, being considered un-Islamic, having their marriages annulled and even being jailed.

At a recent Karachi seminar on "Women and Media" one of the speakers, addressing his audience as "female brothers", denounced those who spoke out as a group of "affluent housewives who ape Western-liberated women".

In fact most of the women's rights activists are affluent and most are university educated and working. Members of the Women's Action Forum say they are Pakistan's first purely feminist movement. But although they are considered outrageous by many at home, they are conservative by Western feminist standards and are quick to dissociate themselves from women's movements in the West.

"We have learnt our lessons from the Western feminists. We will not burn our bras," says Shagufta Ali Zai, a freelance journalist and member of the WAF chapter in Pakistan's capital, Islamabad.

In fact Ms Zai still wears the chador (scarf-like head covering) when she shops at the market. "People respect you more automatically if you wear it," she says.

WAF, with about 200 members in a nation of about 80 million, was set up in 1981 and has chapters in

Lahore, Karachi and Islamabad. Its founding was in response to the increasingly oppressive atmosphere for women as Islamisation was stepped up.

Ms Zai says one of the first issues WAF took up was the case of a girl accused of eloping and committing adultery. She was sentenced to be stoned to death although she said she had married the man involved.

Since then WAF has taken up several other adultery cases. Under a 1979 ordinance women's evidence is not valid in cases of theft and "fornication", including rape. That means a rape victim cannot testify against a rapist, but if she bears his child she can be convicted of adultery.

Now WAF is fighting two new laws which have been approved "in principle" by Pakistan's Cabinet. Its publicity sheet summarises them:

Under the draft Law of Evidence an offence must be witnessed by two men or by two women and one man. The evidence of two women would not stand up in court.

The draft Law of Qisas and Diyat rejects the evidence of women in cases of premeditated murder. There is controversy over the plan for compensation to the family of a victim of such a murder to be halved if the victim was a woman. This law also fixes the age of adulthood at 18 for males but 16 or puberty (perhaps 12) for females. So if a girl has attained puberty she is subject to adult sanctions, regardless of her age.

WAF held Islamabad's first women's demonstration in August last year to oppose this law. The 35 demonstrators said they were intimidated but held out for 30 minutes. In Lahore women demonstrated against the Law of Evidence in November.

Western diplomats say the WAF women can "get away" with such demonstrations because they are

wealthy and from influential families. Some are related to Cabinet Ministers, court judges and senior Government officials.

But still they run risks. Some have been detained without explanation. Several of those I spoke to would not allow me to use their names. My interviews were arranged through a "middleman".

In a country which echoes to the prayer call from about 5 am, they also risk being called un-Islamic. Ms Zai denies this, saying she is a religious person, although others who would not give their names felt their religion was oppressive.

WAF lobbies within the context of Islam. It says Islamic laws which are biased against women are based on distorted interpretations of Islam. It counters them with "enlightened interpretations by respected Islamic scholars".

Despite the risks, the WAF women have the opportunity to speak out against the eroding of their rights. Few women in Pakistan have that opportunity.

Most Pakistani women live a totally segregated life behind the high mud walls of their village houses, avoiding contact with all men other than their close relatives and wearing thick, black robes in the heat when they venture out.

Rape by landlords is common, sometime with the consent of husbands or brothers to settle debts. Most women are married to men they have never seen. On their wedding day they are taken by his women relatives from the home they have rarely left and they may return there only as a guest. Divorce means shame and those who risk it must leave their village.

Women are property, bearers of sons, and the authority of their male relatives is all powerful. Few women can read or write — in the western province of Baluchistan their literacy rate is just 2 per cent.

Even General Zia's own Commission on the Status of Women, set up to ascertain the rights and responsibilities of women in an Islamic society, has recognised the extent of the oppression of Pakistani women.

Last year the commission expressed its "grave concern" at Zia's promulgation of laws without consulting it. It called for him to defer any planned laws affecting women's status and rights until he had its report.

In a press which risks having its newsprint allocation withheld, or being shut down, if it criticises the Zia regime, there is little criticism. But the issue of women's rights is being increasingly taken up.

In a recent magazine column headed "Hooliganism on the increase" a woman columnist said: "We are living in a Moslem country and women should feel safest here among their Moslem brethren. They should not have to walk in fear and dread. If cases of hooliganism against women were restricted to isolated instances, it could be overlooked, but the increase in crimes and hooliganism against women is frightening. If this is the path our young men are treading now, where will it lead? Women shudder to think."

Her column brought letters of support including one from a Karachi student who said: "At many a time I have even seen a policeman on duty ogling wickedly. Will a woman never feel safe here?"

Certainly I didn't. Wherever I went men were grabbing, leering, following. Who could enjoy sight-seeing when they turn to find that for most of the men, they were the sight?

I had a choice: I headed for the airport. But the women bashing their washing on river stones, picking their way down a street trying to see through a small mesh slit, or the girl whose wedding I attended when she married a man who lived 500 yards away but she had never seen, have no such choice.

15 May 1985

PAKISTAN

RUSHED PRODUCTION SAID TO DAMAGE OILWELLS

Islamabad THE MUSLIM in English 12 Apr 85 p 1

[Article by Salim Bokhari]

[Text]

ISLAMABAD, April, 11: Rushed production during the past few months at Tando Alam oilfield in Sind is reported to have caused serious damage to the reservoir.

Production from the existing two wells has gone down from 6,000 barrels to 3,500-4,000 barrels per day. The concerned authorities had indicated that discovery of the prized field would yield 6,000 barrels per well per day with a minimum of 10 wells expected to be drilled to produce 60,000 barrels of crude per day.

Oil and Gas Development Corporation (OGDC) announced the discovery of an oilfield at Tando Alam on May 19, 1984. According to the announcement, the field covered a large area of 20 Sq. kms. After drilling two wells, production was started from the field on October 1984. Transportation of oil to the refinery at Karachi was entrusted to NLC who confirm that the reasons for falling production are technical, mainly reduction in the pressure of wells.

Inquiries made at the site indicated that production from the fields was started in rather a rush. During the four months the field remained in production, no tests or pressure surveys were undertaken. Accurate measurements of gas and other parameters were either not recorded or due cognisance was not given to their changes. When surveys were under-

taken later, an alarming rate of reduction in pressure was noted. It is further stated that all this was done despite the fact that the technical personnel kept on reporting the desirability of carrying out the tests.

This would mean that for one reason or the other, maintenance of production level at 6,000 barrels a day was given preference over everything else and the required testing was not allowed. It is said that immediate action is required to be taken to rectify the situation, failing which the field could be completely damaged.

Meanwhile, production at Toot Oilfield has also gone down from 3,000 barrels to about 2,400 barrels per day. According to our information, the reduction in production is due to complete stoppage of production from Toot Well No.7 and decreasing production from other wells.

The 'blow out' at Well No.19 at Toot is yet another setback for OGDC. The well is stated to have been damaged beyond economic repair as after month-long efforts it could not be rehabilitated.

Production also could not be obtained from Nuryal Well No.2 in the same area and the drilling rig has been shifted.

It may be mentioned that Nuryal Well No.1 had proved productive.

CSQ: 4600/397

PAKISTAN

BRIEFS

BUGTI SUPPORTS JATOI'S STAND--Quetta, April 11--Nawab Akbar Bugti, ex-Governor of Baluchistan, has supported the demand made by the People's Party leader Ghulam Mustafa Jatoi, that a new constitution be framed on the basis of the 1940 Resolution. Talking to "The Muslim: here this evening, he said Mr Jatoi came out with his new idea last week "while we have been asking for a new constitution for a long time." The people of Baluchistan never accepted the 1973 Constitution. Only Mr Chous Bux Bizenjo and late Maulvi Abdul Daque were among the signatories while Nawab Khair Bux Marri, Dr Abdul Hai Baloch and Mrs Jennifer Musa abstained. To a question he said the MRD's calls for a Boycott was correct as time has proved that the "so-called" elected representatives were just "rubber stamps." When asked who would form the new constitution, Nawab Akbar Bugti replied all the leaders of the four nationalities could form a new constitution. "For that we would need a square table, with equal representation," he remarked. He ruled out the possibility of forming a new party and said the parties in the MRD's ranks were doing a good job. "I do not want to join any party. However, sitting outside I will support MRD if it remains on the right path and will oppose if it goes wrong," he said. [Text] [Islamabad THE MUSLIM in English 12 Apr 85 p 8]

RAMAY ON JATOI'S PROPOSALS--Lahore, April 11--Mohammad Hanif Ramay, former Chief Minister Punjab and chairman defunct Musawat Party, has called upon the government to give due consideration to the 14-point programme proposed by Ghulam Mustafa Jatoi and urged the political parties all over the country to evolve a joint course of action in view of the latest plea put forth by the PPP leader. In a statement, Mr Ramay said that Mr Jatoi was among the few opposition leaders known for their moderate and balanced approach towards national affairs. His pre-election plea for making the assemblies powerful was unfortunately not heeded; rather, the enforcement of large-scale amendments in the 1973 Constitution destroyed the sovereignty of the Assemblies. Mr Jatoi, he said, has now proposed recognition of the present Assemblies by the political parties in case Martial Law is lifted and the 1973 Constitution restored in its original form. This proposal, according to Mr Ramay, can guarantee much needed political stability in the country. [Text] [Islamabad THE MUSLIM in English 12 Apr 85 p 8]

AZAD KASHMIR PPP: REPORT DENIED--Rawalpindi, April 11--The Secretary General of the defunct Pakistan Peoples Party, retired General Tikka Khan has categorically rebuffed the contents of a news item appearing in a local 'Urdu' daily that the Party Chairperson, Miss Benazir Bhuto, had ordered Sardar Ibrahim to reorganise the AJK PP. Tikka Khan told 'The Muslim' on telephone today that Miss Benazir had conveyed no message to Sardar Ibrahim regarding reorganisation as claimed by the Kashmiri leader. The Secretary General said the letter, on which Sardar Ibrahim had based his assumption, in fact urged him to seek the guidance of the PPP leader, Ghulam Mustafa Jatoi for settling the differences which recently cropped up in the A.K. People's Party. The list included all the known political figures of the country besides two prominent Editors, Mazhar Ali Khan of 'Viewpoint' and Mushahid Hussain Syed of 'The Muslim.' [Text] [Islamabad THE MUSLIM in English 12 Apr 85 p 8]

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